

03-26-08

1/11 DAC

PATENT,
TRADEMARK, COPYRIGHT,
& TRADE-SECRET LAW

LAW OFFICE OF
PETER I. LIPPMAN
17900 MOCKINGBIRD DRIVE
RENO, NEVADA 89506

TELEPHONE 775/677-8822
FACSIMILE 775/677-8823
EMAIL PL@A-L.COM

March 24, 2008

Mail Stop Petition

Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450



ATTN.: Christina Tartera Donnell

RE: U. S. utility patent 5,467,122, issued November 14, 1995
from serial 08/046,335, filed April 12, 1993
of J. Kent Bowker et al.
for: "UNDERWATER IMAGING IN REAL TIME USING SUBSTANTIALLY
DIRECT DEPTH-TO-DISPLAY-HEIGHT LIDAR STREAK MAPPING"
our docket xAA-05

Dear Sir and Madam:


Attached please find a Renewed Petition to Accept Unavoidably Delayed Payment of Maintenance Fee in an Expired Patent — also styled as a "Request for Reconsideration". The attachments also include:

- my \$400 check covering the Request for Reconsideration fee;
- a copy of the date-stamped 2005 Dismissal returned by the US Postal Service to the USPTO;
- a copy of the 2008 Decision, as required;
- an acknowledgment card, for date-stamping and return.

In event any further fee should be due, or any refund accrue, please debit such necessary further fee, or credit such refund, to my deposit account 12-1639.

Should the balance in my account be inadequate for such further fee, please telephone me at 775/677-8822 so that I can immediately replenish the account by electronic fund transfer.

Respectfully submitted,


Peter I. Lippman
Reg. No. 22,835

CERTIFICATION OF EXPRESS-MAIL DEPOSIT
FOR THE PURPOSE OF SECURING ADVANCED FILING DATE

U. S. Express Mail mailing label: EB 796 391 070 US
Date of deposit: March 24, 2008

I hereby certify that this document is being deposited with the United States Postal Service as Express Mail under 37 CFR 1.10 on the date indicated above, and is addressed to the Commissioner for Patents, Box 1450, Alexandria VA 22313-1450.

Signed,


Shaliene Ray

REGISTERED TO PRACTICE BEFORE THE U. S. PATENT & TRADEMARK OFFICE

• LICENSED TO PRACTICE CALIFORNIA LAW ONLY

03/26/2008 EAREGAY1 00000024 00046335
01 FC:1462

400.00 QP



UNITED STATES PATENT AND TRADEMARK OFFICE

LOC-47

DAC



Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

Paper No. 21

PETER I. LIPPMAN
4385 OCEAN VIEW BLVD.
MONTROSE, CA 91020

COPY MAILED

JUL 15 2005

OFFICE OF PETITIONS

In re Application of
Bowker et al.
Patent No. 5,467,122
Application No. 08/046,335
Filed: April 12, 1993
Issued: November 14, 1995
Attorney Docket No. xAA-05

ON PETITION

RECEIVED
OIPE/AP
AUG 25 2005

This is a decision on the petition under 37 CFR 1.378(c), filed March 15, 2004, to accept the delayed payment of a maintenance fee for the above-identified patent.

The petition is **DISMISSED**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). This is **not** final agency action within the meaning of 5 U.S.C. § 704.

A petition to accept the unintentionally delayed payment of a maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(c) must be accompanied by: (1) a statement that the delay was unintentional; (2) payment of the appropriate maintenance fee, unless previously submitted; (3) payment of the surcharge set forth in 37 CFR 1.20(i)(2).

This petition lacks items (2) and (3) above. The funds were attempted to be collected from petitioner's deposit account, No. 12-1639 numerous times, but there was never sufficient funds. As of July 2005, the account is listed as having a negative balance. Accordingly, to reinstate the above-identified application, petitioner must supply the maintenance fee and the \$1640.00 surcharge.

Any petition for reconsideration of this decision must be accompanied by the petition fee of \$130 as set forth in 37 CFR 1.17(h). The petition for reconsideration must include the lacking item(s) noted above, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner.

Petitioner should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fees and post expiration surcharge are refundable. Petitioner may request a refund of the fees submitted on March 17, 2004. Please send all requests for refunds to the following address:

Mail Stop 16
Director of the US Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

A copy of this decision should accompany petitioner's request.


Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop PETITIONS
Commissioner for Patents
Post Office Box 1450
Alexandria, VA 22313-1450

By hand: Customer Window located at:
U.S. Patent and Trademark Office
Customer Service Window Randolph Building
401 Dulany Street
Alexandria, VA 22314

By fax: (571) 273-8300
ATTN: Office of Petitions

Any questions concerning this matter may be directed to the undersigned at (571) 272-3206.


Liana Chase
Petitions Examiner
Office of Petitions
Office of the Deputy Commissioner
for Patent Examination Policy



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

PETER I. LIPPMAN
17900 MOCKINGBIRD DRIVE
RENO NV 89506

COPY MAILED

JAN 23 2008

OFFICE OF PETITIONS

In re Patent No. 5,467,122	:	
Issued: 11/14/1995	:	DECISION ON PETITION
Application No. 08/046,335	:	
Filed: 04/12/1993	:	
Attorney Docket No. xAA-05	:	

This is in response to the petition under 37 CFR 1.378(b), filed June 5, 2007, to accept the unavoidably delayed payment of the maintenance fee for the above-identified patent.

The petition is dismissed.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400.00 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below because the Director will not undertake any further reconsideration or review of the matter after a decision on the petition for reconsideration.

The patent issued on November 14, 1995. The second maintenance fee could have been paid during the period from November 14, 2002 through May 14, 2003 or with a surcharge during the period from May 15, 2003 through November 14, 2003. Accordingly, this patent expired on November 15, 2003, for failure to timely remit the second maintenance fee.

On March 15, 2004, petitioners filed a petition under 37 CFR 1.378(c), which was dismissed by the decision of July 15, 2005. The decision stated that the Office attempted to collect the maintenance fee payment and the surcharge from petitioners' Deposit Account numerous times; however, as of July of 2005, the account was listed as having a negative balance. The decision set a two-month period, with no extensions of the time limit, to file a request for reconsideration under 37 CFR 1.378(e), accompanied by a petition fee, the maintenance fee, and the surcharge. On June 5, 2007, petitioners submitted the present petition under 37 CFR 1.378(b) and a check in the amount of \$3,815.00 as payment for the second and third maintenance fees and the surcharge.

The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. 37 CFR 1.378(a).

A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must include the following:

(1) the required maintenance fee set forth in § 1.20(e) through (g);

(2) the surcharge set forth in § 1.20(i)(1); and

(3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

This petition lacks requirement (3).

Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word unavoidable' . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present. In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her

burden of establishing that the delay was "unavoidable." Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

In determining whether the delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. See California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219, 1259 (D. Del. 1995). Moreover, the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of an applicant, and an applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992).

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his burden to establish that the delay was unavoidable. See Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960). Petitioners are reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable. See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd* 937 F.2d 623 (Fed. Cir. 1991).

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the second maintenance fee for this patent. Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

There are three periods to be considered during the evaluation of a petition under 37 CFR 1.378(b):

- (1) The delay in reply that originally resulted in expiration;
- (2) The delay in filing an initial petition pursuant to § 1.378(b) to revive the application; and
- (3) The delay in filing a *grantable* petition pursuant to § 1.378(b) to revive the application.

This petition lacks the showing required by periods (2) and (3).

Petitioners asserted that the delay in paying the second maintenance fee was unavoidable because they were not aware of the decision dismissing their petition under 37 CFR 1.378(c), filed March

15, 2004. Specifically, petitioners explained that they submitted a change of correspondence address associated with the Customer Number on June 9, 2004, which was acknowledged by the USPTO on December 14, 2004. Petitioners asserted they did not receive a copy of the original decision of July 15, 2004, dismissing their petition under 37 CFR 1.378(c) because the USPTO mailed the decision to an obsolete address. In support of the assertion of non-receipt of the decision of July 15, 2004, petitioners provided a copy of the docket calendar of practitioner, Peter Lippman, which revealed no deadline for reply to the dismissal had been entered. Petitioners indicated that they first became aware that the patent was not in force on March 21, 2007, when Lippman was looking on the USPTO website to determine the amount of the third maintenance fee. Petitioners stated that they did not receive a facsimile copy of the decision until April 27, 2007.

Petitioners stated that “[i]n [Lippman’s] bookkeeping system previously he has simply distributed, after the fact, funds flowing out of the deposit account -- based upon the monthly deposit-account reports -- and has relied upon ‘the system’ to eventually sort out all such transactions.” *Petition dated 06/05/07, p. 2*. Additionally, petitioners asserted that “unfortunately [Lippman] had taken for granted that the fees for his 2004 Petition would be withdrawn from his account within a few months --whether or not a Decision on Petition was generated in that time--and accordingly he was not watching the balance closely during the time interval (thirteen months later) when [the deciding official] apparently was checking for those Petition fees. *Petition dated 06/05/07, p. 27*.”

At the onset, the Office sincerely apologizes for the mailing the decision of July 15, 2005, to an obsolete address. The Office concurs with petitioners that they submitted a timely change of correspondence with the USPTO prior to the mailing date the decision dismissing the petition. However, even if the Office excuses the delay attributed to the mailing of the decision to an incorrect address, the Office notes petitioners did not have sufficient funds in their deposit account to pay the maintenance fee and surcharge as of July 15, 2005.

Pursuant to 37 CFR 1.25(a),

A minimum deposit of \$1,000 [in the deposit account] is required for paying any fee due or in ordering any services offered by the Office.... At the end of each month, a deposit account statement will be rendered. A remittance must be made promptly upon receipt of the statement to cover the value of items or services charged to the account and thus restore the account to its established normal deposit value. An amount sufficient to cover all fees, services, copies, etc., requested must always be on deposit. Charges to accounts with insufficient funds will not be accepted. A service charge (§ 1.21(b)(2)) will be assessed for each month that the balance at the end of the month is below \$1,000.

Therefore, “[a]n overdrawn account will be immediately suspended and no charges will be accepted against it until a proper balance is restored, together with a payment of \$10 (37 CFR 1.21(b)(1)) to cover the work done by the U.S. Patent and Trademark Office incident to suspending and reinstating the account and dealing with charges which may have been made in the meantime.”

MPEP 509.01. Moreover, the Office expects that an applicant or patentee will take reasonable precautions in all cases to avoid overdrafts. *Id.* A delay resulting from a lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP does not constitute an "unavoidable" delay. See *Haines v. Quigg*, 673 F. Supp. 314, 317, 5 USPQ 1130, 1132 (N.D. Ind. 1987), *Vincent v. Mossinghoff*, 230 USPQ 621, 624 (D.D.C. 1985); *Smith v. Diamond*, 209 USPQ 1091 (D.D.C. 1981); *Potter v. Dann*, 201 USPQ 574 (D.D.C. 1978); *Ex parte Murray*, 1891 Dec. Comm'r Pat. 130, 131 (1891).

With respect to petitioners' statement that the Office did not notify them that the Office was unable to charge the deposit account for the maintenance fee and surcharge, it is petitioners' duty to ensure that a proper and timely response is submitted to the USPTO. While the Office attempts to timely notify applicants and patentees of deficiencies in their responses, it is under no obligation to do so. Furthermore, it is petitioners' responsibility to take reasonable precautions to avoid overdrafts and to make certain that the deposit account contains the required minimum deposit of \$1,000 when authorizing the payment of any fees due. A payment of less than the required amount, a payment in a manner other than that set forth in 37 CFR 1.23, or the filing of an authorization to charge a deposit account having insufficient funds, will not constitute payment of a maintenance fee and any necessary surcharge. In this instance, petitioners admitted that they did not regularly monitor the balance of the deposit account during the period in question. Petitioners' failure to keep sufficient funds in the deposit account constitutes an avoidable mistake.

Moreover, a showing of diligence in matters before the USPTO is essential to support a finding of unavoidable delay. See *Futures Technology, Ltd. v. Quigg*, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiry into the status of the application is required to show unavoidable delay); *Douglas v. Manbeck*, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his counsel). Diligent inquiry into the status of the patent is required.

Petitioners explained that "[t]he Petitioners in 2003 and 2004 communicated with the PTO in good faith, attempting to maintain the subject patent -- but until late April [of 2007] received no message stating that their communications had failed." *Petition dated 06/05/07, p. 1.* "Until then they also were not able to obtain a statement of the reason for failure of their 2004 communication." *Id.* Petitioners averred that their actions did not equate to a lapse in their duty of due care as they were not aware of any "standard" time period for deciding a petition under 37 CFR 1.378(c). Rather, petitioners indicated that the length of time seemed to be long but plausible for consideration of a petition and that the staff of the Office of Petitions appeared "swamped with work." Petitioners stated that it did not seem helpful or courteous for Mr. Lippman to "pester" the Office of Petitions staff. "Rather seemed more appropriate (and perhaps a patriotic duty) that he patiently let the matter lie -- until receiving a decision in due course." *Petition dated 06/05/07, pp. 20-21.*

There is no evidence that petitioners were misled to believe that the USPTO granted their original petition, accepted the maintenance fee and surcharge, or reinstated the patent. Petitioners may not have received the decision of July 15, 2005, dismissing their petition; however, the test is whether petitioners exercised due diligence to find out and correct the problem. See generally, Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant has a duty to make sure his application is being prosecuted). The record reveals that petitioners failed to exercise due diligence with regard to the maintenance of the patent as petitioners did not inquire into the status of their petition for approximately three years from its filing. Petitioner simply had no system in place at that time for following up on the status of a petition if they did not receive a decision from the USPTO. Therefore, since petitioners did not receive the decision of July 15, 2005, petitioners did not make any entry into the docket calendar regarding the status of the petition or any action needed. Petitioners admitted that they could have followed up with the USPTO but decided "to let the matter lie – until receiving a decision in due course." *Petition dated 06/05/07, pp. 20*. This inaction is the antithesis of diligence on the part of petitioners to ensure that the patent was maintained. A prudent and careful person acting in relation to his most important business would have taken steps to confirm whether the petition was granted, that the maintenance fee and any surcharge were accepted, and that the patent was reinstated. Accordingly, the lack of due diligence by petitioners overcame any error in mailing the decision of July 15, 2005, to an obsolete address. If petitioners would have exercised due care of a reasonably prudent person and monitored their deposit account or inquired into the status of the petition, petitioners could have avoided or been able to act to correct the situation in a more timely fashion.

The showing of record is inadequate to establish to the satisfaction of the Office that the delay in payment of a maintenance fee is unavoidable within the meaning of 37 CFR 1.378(b). Accordingly, the petition is **dismissed**.

The Office acknowledges receipt of the maintenance fee payments due at 7.5 and 11.5 years in the amounts of \$1,150.00 and \$1,900.00, respectively, as well as the \$700.00 surcharge after expiration. The \$65.00 surcharge for late payment within six months is unnecessary and will be refunded to the Deposit Account. Petitioners should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fees and post expiration surcharge are refundable. The \$400.00 petition fee for seeking reconsideration is not refundable. Any request for refund should be in writing to the following address:

Mail Stop 16
Director of the US Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

A copy of this decision should accompany petitioners' request.

Patent No. 5,467,122
Application No. 08/046,335

Page 7

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop Petition
 Commissioner for Patents
 P.O. Box 1450
 Alexandria, VA 22313-1450

By FAX: (571) 273-8300
 Attn: Office of Petitions

By hand: Customer Service Window
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

Additionally, correspondence may be submitted electronically by EFS-Web.

Telephone inquiries concerning this matter may be directed to the undersigned at (571) 272-3211.

C. T. Donnell

Christina Tartera Donnell
Senior Petitions Attorney
Office of Petitions



Approved for use through 04/30/2009. OMB 0651-0016
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

PETITION TO ACCEPT UNAVOIDABLY DELAYED PAYMENT OF MAINTENANCE FEE IN AN EXPIRED PATENT (37 CFR 1.378(b))

Docket Number (Optional)
RECEIVED

Mail to: Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450
Fax: (571) 273-8300

JUN 15 2007

OFFICE OF PETITIONS

NOTE: If information or assistance is needed in completing this form, please contact Petitions Information at (571) 272-3282.

Patent No. 5,467,122 Application Number 08/046,335

Issue Date November 14, 1995 Filing Date April 12, 1993

CAUTION: Maintenance fee (and surcharge, if any) payment must correctly identify: (1) the patent number (or reissue patent number, if a reissue) and (2) the application number of the actual U.S. application (or reissue application) leading to issuance of that patent to ensure the fee(s) is/are associated with the correct patent. 37 CFR 1.366(c) and (d).

Also complete the following information, if applicable

The above-identified patent:

☐ is a reissue of original Patent No. _____ original issue date _____
original application number _____
original filing date _____

☐ resulted from the entry into the U.S. under 35 U.S.C. 371 of international application _____ filed on _____

Repln: Ref: 01/23/2008 CKHLOK 0010472700
DAB:121639 Name/Number:5467122
FC:19204

\$65.00 CR

CERTIFICATE OF MAILING OR TRANSMISSION (37 CFR 1.8(a))

I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is
(1) being deposited with the United States Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to Mail Stop Petition, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 OR
(2) transmitted by facsimile on the date shown below to the United States Patent and Trademark Office at (571) 273-8300.

June 5, 2007

Date

Signature

Peter I. Lippman

Typed or printed name of person signing Certificate

06/07/PAA7 MRLANCO 00000007 5467122

01 FC:1599

3815.00 OF

[Page 1 of 4]
This collection of information is required by 37 CFR 1.378(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 8 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Mail Stop Petition, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

Adjustment date: 01/23/2008 CKHLOK
06/07/2007-MRLANCO 00000007 5467122
01 FC:1599 -3815.00 OP

UNITED STATES PATENT & TRADEMARK OFFICE
Washington, D.C. 20231

REQUEST FOR PATENT FEE REFUND											
1 Date of Request: <u>01/22/08</u>				2 Serial/Patent # <u>5467122</u>							
3 Please refund the following fee(s):				4 PAPER NUMBER	5 DATE FILED		6 AMOUNT				
Filing							\$				
Amendment							\$				
Extension of Time							\$				
Notice of Appeal/Appeal							\$				
Petition							\$				
Issue							\$				
Cert of Correction/Terminal Disc.							\$				
X	Maintenance <i>surcharge w/in 6 mos.</i>				06/05/07		\$ 65.00				
Assignment							\$				
Other							\$				
				7 TOTAL AMOUNT OF REFUND			\$ 65.00				
				8 TO BE REFUNDED BY:							
				Treasury Check							
				X	Credit Deposit A/C #:						
				9	1	2	--	1	6	3	9
10 REASON:											
Overpayment											
Duplicate Payment											
X No Fee Due (Explanation):											
The \$65.00 surcharge was submitted after the patent expired, and therefore, is not proper.											
11 REFUND REQUESTED BY:											
TYPED/PRINTED NAME: <u>Christina Tartera Donnell</u> TITLE: <u>Petitions Attorney</u>											
SIGNATURE: <u>/christina tartera donnell/</u> PHONE: <u>571-272-3211</u>											
OFFICE: <u>Office of Petitions - 4700</u>											
***** THIS SPACE RESERVED FOR FINANCE USE ONLY: *****											
APPROVED: <u><i>[Signature]</i></u> DATE: <u>1/23/08</u>											

Instructions for completion of this form appear on the back. After completion, attach white and yellow copies to the official file and mail or hand-carry to:

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventors: J. Kent Bowker et al.

Patent number: 5,467,122

Issue date: November 14, 1995

Title: "UNDERWATER IMAGING IN REAL
TIME USING SUBSTANTIALLY
DIRECT DEPTH-TO-DISPLAY-
HEIGHT LIDAR STREAK
MAPPING"

Our docket: xAA-05

Office
of
Petitions

Senior
Petitions Attorney
Christina Tartera
Donnell

RENEWED PETITION
TO ACCEPT UNAVOIDABLY DELAYED PAYMENT
OF MAINTENANCE FEE IN AN EXPIRED PATENT

REQUEST FOR RECONSIDERATION

Mail Stop Petition

Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

ATTN.: Christina Tartera Donnell

Sir and Madam:

This paper is responsive to the Decision on Petition mailed
January 23, 2008 (hereinafter "current Decision").

INTRODUCTION:

Petitioners wish to thank Senior Petitions Attorney Chris-
tina Tartera Donnell for having set forth with clarity the reasons
for dismissal of the original Petition — with certain critical ex-
ceptions. Those exceptions are detailed in this paper. As to
those details, the undersigned Petitioners are uncertain of the in-
tended meanings. In addition to those particular details, the Pe-

Express Mail Receipt EB 796 391 070 US

tioners also thank Attorney Donnell for having agreed (page 4, 3rd ¶) that the Petitions Office erred in mismailing the 2005 Dismissal:

"[T]he Office sincerely apologizes for . . . mailing the decision of July 15, 2005 to an obsolete address. The Office concurs with petitioners that they submitted a timely change of correspondence with the USPTO prior to the mailing date [of] the decision dismissing the petition."

In reply, the Petitioners respectfully submit comments below, including extended discussion of cases cited in the current Decision — as well as discussion of the Petitioners' own behavior.

As to the cited caselaw, analysis herein will show that the most important of the cases are favorable to Petitioners; and that fact patterns in essentially all the others are distinguished from those of the present Petition. Moreover the propositions for which most of the cases are cited are substantially irrelevant to the instant circumstances.

(In addition, as to certain specifics the Petitioners submit here that the current Decision is conclusionary. That is, it does not expressly show how the stated law can be applied to the facts of this matter.)

Based upon all of the comments and discussion, the Petitioners respectfully ask that the current Decision be reviewed and the Petition (including this Request for Reconsideration) granted.

The primary message that Petitioners convey, by the principled reasoning herein, is that the Petitioners' own missteps did not, and could not, "overcome" or "supersede" the above-mentioned error for which the current Decision apologized. That primary message is fully explained in this paper, and believed to be fully supported by law and all the circumstances.

In particular, it will be seen that the July 2005 Decision, and the remedy it offered, established a definite and simple course of action leading to a full cure. Had the Patent and Trademark Office then acted either correctly or consistently (or of course both), the

matter would have been resolved forthwith, notwithstanding all earlier and later actual or putative errors by the Petitioners.

Instead, and still more specifically, the Office engaged in (chronologically):

- departures from its usual consistent behavior, when inadequate funds are present in a deposit account to cover a charged fee;
- the conceded plain error, for which the Office has apologized, in mismailing the 2005 Decision;
- further error in failing to investigate when the Postal Service returned that Decision to the Patent and Trademark Office, the following month; and
- a still-further error of failing to remail the Decision based upon such investigation.

As to the "departures" first-mentioned above: while the current Decision proposes that the Office is not "obligated" to follow its usual behavior, neither should the Petitioners be faulted for expecting (and proceeding in accordance with) that long-known and thoroughly well-established behavior.

The Petitioners' following comments are organized in order by, mostly, the points made in the current Decision. It will be understood that several of those points overlap in their meaning and significance, and accordingly that some of the Petitioners' comments likewise overlap.

REQUESTS FOR CLARIFICATION:

Several points made in the current Decision are not understood; hence Petitioners cannot adequately respond to those points, which are all collected and discussed in turn in an Appendix, following the signature page of this document. As a matter of due process the Petitioners therefore request clarification of the matters listed in the Appendix, prior to rendering of any further unfavorable Decision in this matter — so that Petitioners can have just and adequate opportunity to traverse or cure.

"ORDINARY HUMAN AFFAIRS"

(AS EXPRESSLY DEFINED IN THE CURRENT DECISION):

In the current Decision it is first said (page 2, 3rd major ¶) that the "unavoidable delay standard . . . is a very stringent standard." The current Decision immediately then goes on, however, to attempt to support this proposition by quoting *Mattullath* and related cases (*id.*, inset paragraph, emphasis added):

"The word 'unavoidable' . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business."

Petitioners respectfully submit that this first sentence from *Mattullath* does not seem at all stringent — but rather is on its face quite permissive: the underscored phrase expressly allows "no more or greater care or diligence than is generally used [for] most important business."

This phrasing considered alone might not be considered dispositive, absent articulation of specifically what the DC Court of Appeals meant by "care or diligence generally used [for] most impor-

tant business." Fortunately, that court went on to give extremely clear and rock-solid examples of specifically what it meant (*id.*, emphasis added; numbering inserted):

"It [the word 'unavoidable'] permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of [1] mail and telegraph, [2] worthy and reliable employees, and [3] such other means and instrumentalities as are usually employed in such important business."

The Petitioners respectfully submit that these examples form an especially valuable standard (or part of such a standard) for evaluation of an "unavoidable delay" dispute because it is an objective standard. In the very great majority of cases, for example, it appears not meaningfully possible to introduce subjective arguments about whether a party relied upon the "mail".

Here Petitioners did indeed rely — precisely — upon the worthy and reliable employees of the United States Patent and Trademark Office, and more particularly those employees of the Office of Petitions therein, to convey to Petitioners the results of their 2005 Petition.

More specifically, the Petitioners relied upon the worthy and reliable employees of the Office of Petitions, in cooperation with the United States Postal Service (the "mail"), to send those Petition results to the Petitioners in a faithful, reliable and accurate way — meaning not only mailing it to the correct address but also taking appropriate action in the unlikely event that the Postal Service returned those results to the Patent Office undelivered.

Such unlikely event DID in fact occur — it is an established fact of record that the results were returned to the Patent Office, undelivered. As evidence thereof, a copy of the selfsame returned results is appended to this document, and has actually been seen on the Patent Office's own website, up to the present date.

Yet when those mailed results reappeared (undelivered) in the Patent Office, and presumably in the Office of Petitions (the place of origin), those worthy and reliable employees utterly failed to discharge the responsibility outlined above, namely to take the anticipated "appropriate action". There is no evidence that those worthy and reliable employees took any action whatever to determine the Petitioners' correct address — and certainly not to remail the results to that address.

This is true even though, as already expressly conceded in the current Decision — that address had long been on file in the Patent and Trademark Office, associated with all of: (1) Petitioner Lippman's "Customer Number", (2) Petitioner Lippman's Registration Number, and (3) many active individual applications and other issued patents prosecuted and maintained through Petitioner Lippman's office. The correct address also has been on file (though possibly not for such a long time) in association with (4) Petitioner Lippman's Deposit Account.

The Petitioners earnestly urge that neither Petitioner Lippman nor Petitioner Areté Associates has ever been in hiding, or incommunicado, or trying in any way whatsoever to avoid receipt of mail. The present Petitioners respectfully submit that full availability of contact data is an especially reliable and therefore valuable standard for review in any "unavoidability" case because this standard can be and most commonly is quite objective — i. e., not susceptible to varying interpretations on account of subjective opinion or the like.

There is more: Petitioner Lippman's telephone numbers (both voice and FAX) likewise have been on record in generally all the same places. With greatest of respect, it is all but inconceivable that the worthy and reliable employees of the United States Patent & Trademark Office — after having initially failed to mail the 2005 Decision properly — evidently undertook no follow-up effort to fol-

low up with that returned piece of mail, even though the contact data were ready at hand in the records (and eventually appeared in the image file wrapper). Yet plainly this is what occurred.

PLEASE NOTE: Petitioners are fully mindful of assertions in the current Decision to the effect that the Patent and Trademark Office is not obligated to follow-up when Deposit Account transactions go awry, or perhaps when mail goes astray, and so forth. These assertions are called into question by, *inter alia*, the caselaw cited in the current Decision. Again, many of the points made in the current Decision and therefore in this paper are overlapping. This matter of the Office's obligations is taken up below.

The purpose of these accusatory statements hereinabove is not to cast aspersions upon the worthy and reliable employees. That would be both petty and pointless. The purpose, rather, is to point out that *Mattullath* explicitly defines, as follows, the Petitioners' redress under such circumstances (*id.*, emphasis added).

Mattullath guarantees to Petitioners, as quoted in the current Decision (*id.*, emphasis added):

"If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present."

With regard to that final clause about "all other conditions of promptness", the Petitioners respectfully point out that those are not conditions upon the Petitioners' behavior after the fact (that is, after the "failure" mentioned by the court).

Rather, these conditions are expressly said to be "conditions of promptness in its rectification" — meaning conditions of promptness in rectifying the fault or imperfection of these agencies and instrumentalities, or in rectification of the failure. It will be plain that rectification of the failure is a duty or condition that

must lie in the lap of the entity which generated the failure — not an entity which was a substantially innocent victim of that failure.

The inescapable conclusion of *Mattullath*, then, is that the failure of the Petitions Office to properly mail or remail the 2005 Decision — or later to inquire of Petitioner Lippman by telephone when the failure of the original mailing became undeniable and obvious — then the Petitioners' resulting inability to timely respond to the 2005 Decision is "properly . . . said to be unavoidable".

OTHER HOLDINGS OF MATTULLATH

(OMITTED FROM THE CURRENT DECISION) :

What has been said above, as noted in the first related heading, is based upon the quotation explicitly set out in the current Decision. Other portions of *Mattullath*, however, are even more definitely favorable to the Petitioners.

The Petitioners revert, first, to the quotation from *Mattullath* as set forth in the current Decision. The Decision says that the case says (*id.*, emphasis added):

"The word 'unavoidable' . . . requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. . . ."

The case, as quoted in the Current decision, goes on to the analysis that Petitioners have already discussed above. Within that ellipsis in the first line, however, there is a world of different ideas — omitted from the current Decision.

Those ideas are omitted unaccountably, since it is believed to be a principle of caselaw citations that parts of a quoted decision which run counter to the stated view must be acknowledged expressly

— lest the court's true holdings and opinions be distorted. In the current Decision, Petitioners very respectfully submit that the material quoted from *Mattullath* should have begun three or four paragraphs earlier in the court's published opinion thus (emphasis added):

"3. The next question is upon the intention of Congress in enacting [the Patent Statute], and the meaning to be given to the word 'unavoidable' therein.

"In the argument on behalf of the Commissioner it is said: 'The decisions of the various Commissioners of Patents, upon the meaning to be attached to the words 'unavoidable delay' in the statute, have not been always uniform or altogether consistent.'

"As an instance of the extreme view of strict construction, he cites the decision of Commissioner Butterworth in *Ex parte Klenha*, 28 Off. Gaz. 1272; C. D. 39. He declares it a statute of limitation, to be enforced with all the rigidity of the old statute of limitations at common law. This construction would render it practically impossible to show any delay that would be unavoidable. On the other hand, Commissioner Hall has given the statute a liberal construction. We quote from his opinion in *Ex parte Pratt* (39 Off. Gaz. 1549; 1887 C. D. 31):

'The word "unavoidable" as used in sec. 4894, Revised Statutes, U. S. Comp. Stat. 1901, p. 3384, is one of very broad significance. In its application to many relations it would exclude everything but the "King's enemies" or an act of God. I do not believe such a construction would be a fair interpretation of the statute.'

The Petitioners pause here to point out that *Mattullath* very explicitly presents that "extreme view of strict construction" with extremely great disapproval. Strong approval, on the other hand, is

given to the passage from Pratt which is actually mocking that extreme view as excluding "everything but the King's enemies or an Act of God."

That is not the end of it. The approved passage from Pratt, still quoted in *Mattullah*, goes on to, as it would seem, derogate the hubris of the Commissioner in overly elevating the "unavoidability" standard (*id.*, emphasis added):

"The statute is one regulating a mere practice in the Office, and is not intended to affect substantial rights as between different persons or between persons and the government."

The Petitioners emphasize that this characterization of the unavoidability standard as controlling "a mere practice in the Office" does not come from the Petitioners as a way to insult anyone. It came from the DC Court of Appeals.

Apart from isolated district-court cases, during nearly a hundred years now the courts have refrained from significantly diluting or weakening the holdings of *Mattullah*. (But see *MMTC v. Rogan*, 369 F. Supp. 2d 675, 2004. The district courts, trial courts in the federal system — lack authority to definitively overturn or modify an appellate decision such as *Mattullah*.)

It is possible that plural or numerous litigants may have raised questions of Patent and Trademark Office inconsistencies at the district court. If that has occurred, then a reasonable implication is that such inconsistencies can again lead patentees astray in future instances. Regardless of district-court outcome, this phenomenon may be expected to legitimately put the Office on notice of that implication. If the Office is thus placed on notice, then Petitioners respectfully submit that particularly energetic efforts should be made to prevent such inconsistencies.

Further, Petitioners note that the issue here does not relate to routine "reminder notices" of maintenance fees due. Rather it

relates here to a nonroutine, special situation in which the Patent and Trademark Office very atypically refrained from notifying a practitioner of a shortfalls in a deposit account.

Petitioners also point out that the *Pratt* and *Mattullath* courts found the unavailability standard (emphasis added) "not intended to affect substantial rights". In the present case that standard has indeed been applied in a way that does affect substantial rights. It is applied in a way that affects the assignee's rights adversely, and very strongly.

Even this is not the end of it. The *Pratt* and *Mattullath* courts next turned to the converse view also mentioned in the litigation (*id.*, emphasis added):

"It is rather a provision by which a statutory limitation may be removed. Its purpose is to encourage diligence in proceedings before the Office."

In this regard, Petitioners respectfully point out that these courts found that the purpose of the unavailability standard was "to encourage" diligence — not to punish patentees who make good-faith mistakes, and surely not to punish patentees who in good faith rely upon "the system" to be fair with them (outlined above in the previous discussion of the statute as elliptically quoted from *Mattullath* in the current Decision).

To be sure that the intentions and motives of the Petitioners are absolutely clear: the Petitioners at no time intended to abandon the subject patent, or in any way to deceive or mislead the Patent & Trademark Office or any other entity. Rather, Petitioners at all times intended to maintain the patent.

Further to the disapproving discussion of the "extreme" and "strict" standard in *Mattullath*, it is also said (*id.*, emphasis added):

"If the broad and unlimited meaning of the word 'unavoidable' were to prevail, it is difficult to conceive when an abandoned case could be reinstated under this section. In my opinion, the word is used in a more limited sense. It is applicable to ordinary human affairs"

From this point, the court's discussion goes into the passage as quoted in the current Decision — which has already been discussed in a previous section of this paper. After that, the court comes back to its own discussion of the Statutory purpose, and the disapproved views of the later Commissioner of Patents (*id.*, emphasis added):

"The [present] Commissioner seems to have leaned toward the strictness of the construction first mentioned. We [instead] approve, in general, the doctrine expressed by [former] Commissioner Hall. The first construction is technical, hard, [citations] and narrow. The second is broad and liberal, breathing the spirit of equity, and more in accord with the general policy of our patent laws. [citations]"

The Petitioners accordingly ask that their Petition be evaluated in harmony with this court-approved "spirit of equity . . . in accord with the general policy of our patent laws." Petitioners respectfully submit that if so evaluated, their Petition should be granted.

One further point must be made in connection with *Mattullath*: unlike the outcome that might be supposed in view of that case as cited and quoted in the current Decision, *Mattullath* came down for the applicant, not for the Commissioner of Patents (*id.*):

"Tested by the standard of diligence above declared, we are of the opinion that the delay in this case has been shown to be unavoidable in the proper sense of the statute. . . .

"The decision will be reversed. . . . As in the Case of *Selden*, 36 App. D.C. 435, the reversal will be with direction to set aside the order of abandonment, and reinstate the [case]. It is so ordered, and the clerk will

certify this decision [citations] to the Commissioner of Patents.

"Reversed."

The present Petitioners digress to point out that the side for which the cited case eventually came down is (when available) a particularly useful and particularly potent standard for evaluation of a new, present case — since this standard is objective.

Petitioners are ethically constrained to acknowledge that the circumstances of their case are not perfectly congruent with those in *Mattullath*: the Petitioners' patent is not about one of the most important inventions in the history of humankind, as was the subject matter in *Mattullath*. None of the Petitioners is a penurious widow, as was the winning party in *Mattullath*.

As well, the present Petitioners' patent was not obtained over, virtually, the Commissioner's dead body — as might be anecdotally surmised in *Mattullath* from a reading of that case. As to substantive issues common to the two cases, however, Petitioners respectfully submit that the full text of *Mattullath* most fairly militates in favor, and very strongly in favor, of the Petitioners herein.

OTHER CASELAW CITED IN THE CURRENT DECISION:

In the current Decision (near the bottom of page 2, within the inset paragraph) it appears to be also suggested that the current Decision is supported by *Winkler v. Ladd*. The present Petitioners strenuously protest, however, that *Winkler* is very strongly distinguished from the present case: the assignee in *Winkler* made a de-liberate decision to abandon the case.

The present Petitioners, precisely to the contrary, have never intended or decided to abandon the subject patent or acquiesced in

its lapse. The Petitioners respectfully submit that a deliberate decision to abandon is an especially valuable kind of fact on review, because it is objective.

(Regrettably, Petitioners have not been able to find the 1913 decision in *Ex parte Henrich* — also mentioned in the current Decision, just after *Winkler*.)

Next the current Decision (end of page 2) cites *Smith v. Mossinghoff*. That case, however, is also readily distinguished: first, in *Smith* there were "conflicting statements" in what the Court de-meaningly called (emphasis added) "Smith's excuses".

Even more notably, the court said that after learning of the imminent abandonment Smith actually had "sufficient time to avoid abandonment" — i. e., to cure the problem by straightforward timely filing of papers, before the nominal or *prima facie* deadline. (The concept of "actual notice" or "sufficient time" to act is also an especially useful standard in assessing diligence, because — like a deliberate decision to abandon — it is at least relatively objective, and therefore only minimally susceptible to variations of subjective opinion.)

In the present situation, however, Petitioners are not aware of any "conflicting statements" on their behalf. Also, after finally (in mid2007) receiving the 2005 Decision, arguably the Petitioners did not have sufficient time. In fact it is possible that the present Petitioners had *prima facie* zero time to file, before the nominal reply deadline, to similarly avoid abandonment. This is true because the 2005 Decision set a reply period of two months, whereas the above-discussed mail-related errors delayed the Petitioner's learning of that adverse Decision for essentially two years.

Petitioners here include the word "possible" because — as taken up further in other parts of this paper — under principles of equity suggested in *Mattullath* it would be fair to toll the running of all or at least part of the time to file an answer, based upon unavoidable delay, to the 2005 Decision. This equitable solution is proposed in view of:

- (1) the inconsistent procedure used in this case as to the deposit-account shortfall, as well as
- (2) the clear mailing error,
- (3) apparent failure to investigate the returned Decision, and
- (4) clear failure to remail.

Alternatively, as also detailed later in this paper, it would be fair to toll all or part of the potential running of time to file an answer based upon unintentional delay, given the prejudicially misleading advice of former Petitions staffer Janoski. Tolling the period for reply, under either of these rubrics, could extend the nominal, *prima facie* period for timely reply entirely to the present.

Further the current Decision cites to *Haines v. Quigg*. That case is very conspicuously distinguished: the District Court there said that there was (emphasis added) "NOTHING in the record to show the cause of the delay, much less that it was unavoidable." Here, by contrast, the present Petition did comprehensively set forth on the record all known causes of the delay — and furthermore made at the very least *bona fide* and creditable efforts to establish that they were unavoidable.

In the current Decision it is also suggested (citation on page 3, second paragraph) that the appellate case of *Ray v. Lehman* sup-

ports the Commissioner's position herein. Once again, however, Petitioners respectfully traverse — because in Ray the Federal Circuit wrote disapprovingly of the plaintiff's efforts toward diligence (emphasis added):

"Plaintiff did not provide a current address either to [his patent] agent or to the PTO."

Thus Ray, too, is very plainly distinguishable from the present case — in which all contact data were on record and available to the Commissioner, and in particular to the Office of Petitions. Petitioners submit that timely providing current contact information is yet another important and very useful objective standard for evaluation of an "unavoidability" claim.

Furthermore as to the famous "deference" accorded by the courts to actions of specialized administrative agencies, Ray establishes the principle that the Commissioner's actions are given great deference unless those actions "contradict the purpose of the statute". In this latter regard, the Petitioners respectfully point out once again that the decision in *Mattullath* favors construing "unavoidability" in a way that is (emphasis added): "broad and liberal, breathing the spirit of equity, and more in accord with the general policy of our patent laws." That, according to *Mattullath*, would appear to be, or at least to strongly color, the "purpose of the statute".

Next in the current Decision it is argued that the Commissioner's posture here is aided by *California Medical Prods. v. Tecnol Medical Prods.* That case may be among the two most-inapposite cases of all the cited caselaw: like *Mattullath*, the *Tecnol* court came down for the patentee, not for the Commissioner, and the patentee was "nearly three years" late in answering the PTO, rather than nearly two years late for the present Petitioners.

In this latter regard, in the present case the 2005 Decision set a two-month period for reply, and specifically prescribed what was required to obtain revival (emphasis added):

"the maintenance fee and the \$1640.00 surcharge . . . accompanied by the petition fee of \$130".

The present eighth-year fee is \$1,965, and of course the fee in 2005 was somewhat lower. Disregarding that decrement, the total due would have been roughly $\$1,965 + \$1,640 + \$130 = \$3,735$.

The necessary requirements were thus reduced to a sum certain. Upon receiving that information the present Petitioners therefore would have complied (as previously pointed out) with the stated requirements immediately — i. e., well before the September 15, 2005 deadline. There is no suggestion of record that the Patent and Trademark Office would have rejected such response filed before September 15, 2005.

Instead, present Petitioners filed their current Petition June 5, 2007. Comparing this delay (from September 15, 2005 to June 5, 2007) with that in *Tecnol*:

present case: one year, eight months and 21 days

Tecnol case: two years eight months and 18 days.

Yet Tecnol came down for the patentee — Plaintiff California Medical Products, Inc., which was a party in interest as to Garth's '219 "surgical collar" Reissue patent. Defendant Tecnol had argued:

"that the '219 patent [was] invalid because it was improperly reinstated by the PTO following the lapse of the patent for failure to pay maintenance fees."

It is quite illuminating to notice key facts of this latter issue: Garth's maintenance fee was tardy because Eveleth Thurber, a secretary and docket clerk in the office of Garth's attorney, Strauss,

had calendared the due date from the issue date of the Reissue patent, rather than that of its precursor original patent.

Defendant Tecnol first argued, according to the Court, that (emphasis added):

"Garth did not act as a reasonably prudent person in relying upon his counsel, Strauss, to remind him when the maintenance fee was due."

Tecnol further argued, second, that (emphasis added):

"Strauss [in turn] did not act as a reasonably prudent person in supervising Thurber, and that Garth is bound by Strauss's error."

The Patent & Trademark Office, with later concurrence of the Delaware District Court in *Tecnol*, found these assertions unpersuasive. The Delaware District Court's analysis follows at length (emphasis added, citations to record omitted):

"The crucial issue is whether Strauss acted reasonably and prudently in relying on Thurber to maintain the docket system. The record does not indicate that Thurber had been an unreliable or mistake-prone employee prior to the misdocketing of the '219 reissue patent. Strauss had never before encountered a docketing error."

Here Petitioners respectfully point out the extent to which the *Tecnol* Court was willing to indulge in subjective analysis, seeking human-error ways to forgive understandable lapses of the patentee's lawyer and the lawyer's clerk. This approach, at least "in a pinch" (*i. e.*, when objective analysis is inadequate), is admirable — although as discussed at length below does have some drawbacks.

This kind of analysis falls squarely within the previously emphasized rubrics of *Mattullath*, which as pointed out above declaimed strongly in favor of construing the law in a way that is "broad and liberal, breathing the spirit of equity, and more in accord with the

general policy of our patent laws." More of the same will now be seen, below — returning to the analysis by the Delaware District Court in *Tecnol* (emphasis added):

"Indeed, Strauss did not review the actual docketing of the '219 patent, the first reissue patent he or Thurber had handled. Standing alone, this might tend to establish a lack of reasonableness. Strauss had no reason to suspect such close monitoring would be necessary, however, because the maintenance fee due date had been correctly calculated in the August 12, 1986 letter to Garth. While it is true that this letter also incorrectly calculated the second and third maintenance fee dates, these mistakes appear to be math errors. They do not cast doubt upon Thurber's knowledge, if she calculated the first due date herself, or notice, if Strauss provided the due dates to her, of what starting date to use for maintenance fee calculations. When entering the '219 patent on the docket list, however, Thurber made the mistake of following the usual routine and entering the issue date of the patent in the "issue date" column. This was an error on her part, but it was not an error which Strauss, as a reasonable and prudent person, could have expected, not after the August 12, 1986 letter.

That is a choice phrase, "the mistake of following the usual routine" — as is the following one "not an error which Strauss . . . could have expected". The *Tecnol* Court continues (emphasis added):

"When Thurber later went to Strauss regarding payment of the maintenance fee for the '619 patent, Strauss properly advised her that payment should actually be made under the '219 patent. Thurber then checked the docket sheet, and relied upon the incorrect date. The Court finds that this subsequent reliance upon the docketing system was reasonable. The purpose of a docketing system is to be a readily accessible source of important information. It is not reasonable to expect a docket clerk, or a lawyer, to question and recalculate the information on a docket sheet every time the docket sheet is used, for that would completely negate its effectiveness. . . .

Petitioners respectfully submit that the deposit-account issues, taken up at length below, are very much of the same order as these

clerical problems in *Tecnol*. On the other hand, this kind of analysis, though well within the ambit of *Mattullath*, is undesirable precisely because it is subjective and thus not amenable to rapid, sure and accurate interpretation; the desirability of objective standards in this area is further discussed elsewhere in this paper.

Finally, as to *Tecnol*, the Court further goes about getting into the attorney's head — as well as distinguishing earlier cases based upon their detailed chronologies (emphasis added):

"Strauss did not have any knowledge that the system had failed him until the PTO returned the maintenance fee payment, well after the expiration of the grace period for the maintenance fee payment. This distinguishes Strauss' behavior from the behavior of the attorneys in *Smith v. Diamond* [citations] and *In re 7,631,798*, decisions in which unavailability was not found because the attorneys had actual notice of a deadline before it expired. Once Strauss learned of the lapse, he promptly sought reinstatement.

"For all these reasons, The Court concludes that failure to pay the maintenance fee was unavoidable, and that the '219 patent was properly reinstated by the PTO."

Petitioners respectfully submit that the present case is analogously distinguished from both *Smith* and *In re 7,631,798* because Petitioners here had no "actual notice of [the] deadline" before expiration of the two-month period for answering the 2005 Decision. We submit that "actual notice" of a deadline before expiration of a reply period is a reasonably objective standard and therefore highly desirable in situations where, otherwise (*i. e.* in attempts to apply a standard that is intrinsically subjective), the ground is slippery beneath one's feet. Although sometimes proper and necessary, as for instance in cases such as *Mattullath* and *Tecnol* calling for equitable relief, the latter kind of standard leads to needless dispute and enormous waste of time, money and patience by good people.

After citing *Tecnol*, the current Decision further mentions (page 3, at end of first full paragraph) the decisions in *Link* and in *Huston v. Ladner*. The Petitioners believe that those cases are inapposite, in that the present Petitioners do not seek to disavow actions of the patentee's representative.

The current Decision also goes on to cite *Commissariat A. L'En-ergie Atomique v. Watson*. That case, however, primarily just makes the point that a petitioner's paper ought to "provide an adequate basis for judicial review." The Petitioners wholeheartedly endorse the desirability of such an "adequate basis" — but once again add that it should be as objective as possible, rather than merely one imposed as a matter of individual interpretation or opinion.

The next cited decision, *Rydeen v. Quigg*, is evidently offered to support the proposition that "it is the patentee's burden . . . to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable." *Rydeen* is distinguishable, however, since in that case the attorney Bruzga made not one but two avoidable errors — each of magnitude seemingly greater than those of the present Petitioners:

- (1) he failed to notify the Patent and Trademark Office of his address change; and
- (2) then, Bruzga also failed to respond to a notice which he nevertheless was fortunate enough to physically receive on the last day of the reply period.

Petitioners respectfully submit that they, unlike Bruzga, avoided both these two kinds of error.

MAILING OF 2005 DECISION TO WRONG ADDRESS

AND RELATED MATTERS:

(current Decision at page 4, 3rd ¶):

In the current Decision, as mentioned above, there appears an apology for having mailed the 2005 Decision to an obsolete address. The Petitioners are very sincerely grateful to Senior Petitions Attorney Christina Tartera Donnell for having acknowledged and apologized for that erroneous mailing.

The current Decision goes on to assert, however, that the Petitioners' "lack of due diligence . . . overcame any error in mailing the decision of July 15, 2005, to an obsolete address" (page 6, 1st ¶). The language here is very similar to that in *Douglas v. Manbeck*, discussed at length below. In that discussion below, that language is shown to be strongly inapposite to the present Petition.

Petitioners respectfully submit that in so disposing of the issue of mail-related mistakes, the current Decision is believed to undesirably impose a subjective standard of diligence that cannot be readily evaluated. More importantly, however, in so disposing of this issue the current Decision is also believed to disregard improperly both (1) the full magnitude of the Patent Office contributions to the problem and also (2) the causality involved in this situation.

More specifically, the Office of Petitions itself committed not one but several egregious errors — as well as engaging in behavior that may be not erroneous *per se* but that tends to lead patentees and applicants astray. As detailed below each one of those errors or behaviors induced — in the first instance, at the least — the Petitioners' putative "lack of due diligence":

1. failure to warn Petitioners the Deposit Account was empty;
2. failure to correctly mail the 2005 Decision;
3. apparently, failure to investigate when the 2005 Decision was returned; and

4. failure to follow up by remailing the Decision.

The first of these listed acts of omission is of course controverted at length in the current Decision — which specifically asserts that the Patent and Trademark Office has no "obligation" to so inform. The Petitioners respectfully submit that approaching this issue as a matter of "obligation" is a one-dimensional kind of analysis, and distracts from the crux of the problem.

That is, there is much more to the relationships between the Office and patentees/applicants than only "obligation". The Petitioners believe that this point is deserving of a full discussion, which will be provided near the end of this document.

In addition, the Petitioners respectfully note that the current Decision makes only a form of apology such as is appropriate in a social context, and does not come to grips substantively with the causal relationship between any of these failures and the respective result. That is, all four of the above-enumerated behaviors of the Patent and Trademark Office actually caused the Petitioners to be unaware of the 2005 Decision and of the deposit-account problem.

Furthermore the deposit-account shortage preceded the 2005 Decision, and that Decision specifically prescribed steps for cure. In that way the 2005 Decision integrated within its terms all of the preceding circumstances. Had the Office not then proceeded into the four unfortunate behaviors listed and discussed above, the Petitioners would have been aware of the Decision and the deposit-account problem in ample time for routine, straightforward cure — and would in fact, beyond question, have timely effectuated such cure.

Therefore, both as a matter of recognizing the full scope of the Patent and Trademark Office's unfortunate behaviors and as a matter of causality, the current Decision importantly mischaracterizes the circumstances of this matter.

Finally, still with greatest respect, the Petitioners wish to point out that the current Decision holds the Petitioners to the

highest standard of diligence while holding the Office of Petitions to an extraordinarily low standard, or none at all. The latter is believed to be improper, since the Patent and Trademark Office exists to serve the public rather than merely, e. g., to cynically protect its managers' own reputations or its funds.

Support for all these statements is provided in very great detail below. In addition, once again what Petitioners seek to determine or establish herein is a standard that is objective — rather than subjective and susceptible to understandable natural variations of individual opinion.

Cases cited relating to knowledge and use of the Statute and rules
(bridging pages 4 and 5 in the current Decision):

The cases cited in this referenced section of the current Decision appear, at first impression, to be related to the extended discussion of deposit-account matters in the current Decision (bottom of page 4 and top of page 5). As will become clear momentarily, however, in actuality these cases all go instead to "lack of knowledge or improper application of the patent statute, rules" etc.

The Petitioners take up these cases below, and point out that these decisions too are very readily distinguished, relative to the fact pattern of the present case.

Haines v. Quigg — The significance of this Federal District Court decision is clouded by bizarre behavior on the part of Mr. Haines's two (*seriatim*) attorneys (emphasis added):

"The fourth time plaintiff filed an application to reissue the same patent, it was granted. Two years later, when plaintiff attempted to amend the fourth patent application by withdrawing it and reviving the first application, the

PTO dismissed the request for failing to respond to the prior rejections."

Additional details appear in the court's decision (emphasis added):

"The reissue was granted. Two years later, Haines filed a petition to withdraw the fourth patent application in order to amend it to refer to the original application of October 9, 1979 to obtain the benefit of the prior filing date. Haines filed a petition to revive the first application on June 6, 1986. The petition was dismissed by the PTO. The opinion noted that Haines had failed to present any facts which would tend to explain the lack of response to the first application."

N. b., the court says here that the petitioner presented no explanation whatsoever for failing to respond. The decision goes on to confirm this (emphasis added):

"The [petition] opinion went on to state that 'in this regard, it is apparent that appropriate statements of fact from the former attorney must be submitted.' A few weeks after the opinion was released, Haines filed a second petition to revive the first application. This petition was also denied. The [petition] opinion stated that there was nothing in the record to show the cause of the delay, much less that it was unavoidable."

In view of all this, Haines was about essentially undocumented successive prosecutions (not about any kind of unavoidable-delay disagreement where petitioners, as here, have at least presented *bona fide* reasons for the delay) — and not at all a matter of a single maintenance fee — and so is plainly distinguished from the present case. Haines therefore cannot provide any objective standard for use in relation to the present Petition.

Vincent v. Mossinghoff revolved around Vincent's misunderstanding and misuse of a "certificate of mailing" (without filing by ex-

press mail) for purposes of obtaining a filing date — an issue not evidently operative in regard to the 2005 Decision in the present case.

Smith v. Diamond: This is the same case as *Smith v. Mossinghoff*, discussed *supra*. That case was taken on appeal from the decision in *Smith v. Diamond*. The court said (emphasis added):

"It [was] admitted by plaintiff's attorney that he personally knew of the notice on or before [the relevant deadline of] September 18 and still took no action. . . ."

Hence both phases of this case appear to be strongly distinguished and not relevant to the present matter.

Potter v. Dann: Here it seems that the applicant rather stubbornly declined to cure absence of an oath or declaration in his Re-issue application. He also failed to take action (such as, in particular, timely filing a Notice of Appeal) that would have tolled the response period for a final rejection. (The court was of course unmoved by the applicant's unawareness of the rule that filing a petition did not stay the response period.)

The present case is amply distinguished from *Potter*. Here the facts present no issue of an absent declaration, or unawareness of a rule.

Murray (1891): With apologies, the Petitioners have not been able to locate this decision.

Futures Technology: In the current Decision, it is indicated that this case supports the proposition that "applicant's diligent inquiry into the status of the application is required to show unavoidable delay." The present Petitioners respectfully traverse.

Any relationship, if any at all exists, between *Futures Technology* and the present case is strictly a matter of dictum — notwithstanding what might appear misleadingly in e. g. the headnotes. In actuality the court considered and expressly decided *Futures Technology* based upon "equitable considerations" — i. e. independently of the applicant's actual diligence in actual inquiry.

Specifically, the plaintiff patent assignee *Futures Technology Ltd.* (hereinafter "*Futures Tech*") had entered into a contract with a so-called "invention development company" — *Enertronics* — which called for *Enertronics* to develop inventions and file patent applications for the subject inventions. This activity was to be carried out with funds provided by plaintiff *Futures Tech*. *Enertronics* was to hold any patents it obtained in a fiduciary capacity for the plaintiff, and plaintiff was to be the equitable owner of the inventions and patent applications.

The court's contempt for the charlatanry of *Enertronics* is scarcely concealed. *Enertronics* failed to perform but refused to relinquish the contract or reassign it to a reputable firm — while concurrently lying to *Futures Tech* about the status of the subject patent application. Still more scandalously, "*Enertronics*' attorney refused to divulge information to" the proposed reassignee firm, offering as a rather slimy excuse "the attorney's confidential relationship with *Enertronics*." According to the court, that attorney (emphasis added):

"later revealed, in a statement accompanying plaintiff's original petition to revive, that [the attorney had been] instructed by *Enertronics* 'to put all further patent efforts on hold.' On a later date, *Enertronics* told the attorney: 'We no longer need your services.' Even later,

the attorney learned that Enertronics and plaintiff were in litigation and that they were parties to a contract concerning inventions. At that time the attorney [not Enertronics] recommended the assignment of the application to plaintiff, which was executed on October 22, 1985."

Only then was plaintiff Futures Tech able to ascertain the true status of the application — which it did promptly, and within two months (emphasis added):

"plaintiff filed its original petition to revive the application, . . . maintaining that the application had been unintentionally abandoned."

The court notes that "this petition was refused."

Most sadly, the performance of the United States Patent and Trademark Office, in the face of all this dishonesty and thievery, failed to rise to the occasion. Although more modernly the Office has energetically undertaken to suppress the misbehavior of "invention development companies", in 1987 (not exactly in the Dark Ages) the Office was still evidently unable to connect the dots and perceive the underlying virtually-criminal behavior.

In *Futures Technology* that role was undertaken by the court, which wrote (emphasis added):

"Several other petitions to revive the application were made by plaintiff . . . maintaining that the delay in prosecuting the application was unavoidable. The Commissioner rejected the last of the requests for reconsideration in his Final Agency Decision on October 22, 1987.

"Based on the facts of this case, and the applicable law, this patent application was not intentionally abandoned and . . . the delay in its prosecution was unavoidable. The contract made between plaintiff and Enertronics in 1981 established plaintiff as the equitable owner of this patent application. Plaintiff never intended to abandon this application. In fact, on numerous occasions, plaintiff, or its representatives, inquired of Enertronics as to the status of the application. However, due to circumstances surrounding the relationship between plaintiff

and Enertronics, plaintiff was unable to timely prosecute the application."

In unraveling this disgraceful situation, as shown above the *Futures Technology* court offered a construction of *Mattullath* which in effect extrapolates the present Petitioners' emphasis on "breathing the spirit of equity, and more in accord with the general policy of our patent laws" — as set forth earlier in this paper.

Specifically, that extrapolation of *Tecnol* extends the equitable reach of *Mattullath* from misbehavior of the Patent and Trademark Office to misbehavior of related private parties — plus inadequate response thereto by the Office. Still more specifically, *Tecnol* further continues:

"In determining what constitutes unavoidable delay, the Commissioner has found that the word 'unavoidable' should apply to 'ordinary human affairs, and [that it] requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.' *Ex parte Pratt*, 1887 Dec. Comm'r Pat. [citation], cited with approval in *In re Mattullath*, [citation].

"In this case, plaintiff exercised the diligence observed by prudent and careful men. Plaintiff had a contract with Enertronics, by which Enertronics was to make patent applications and plaintiff was to remain the equitable owner Plaintiff had a right to expect Enertronics' performance under that contract. When plaintiff became troubled by Enertronics' performance, plaintiff . . . was given assurances by Enertronics that work was being done on the application, when in fact, such work was not being done. When Enertronics finally assigned the application to plaintiff, the truth of the application's status was discovered"

Thus, once again, in *Futures Technology* as well as in *Pratt* and *Mattullath*, the gravamen of the unavoidability standard is shown to be most properly permissive, rather than "technical, hard, and narrow" (*Pratt* and *Mattullath*) — not to mention, a *fortiore*, punitive. At least this is so for those patentees and applicants who have inad-

vertently become embroiled in unintended difficulties in good faith, provided that they have not failed to satisfy objective standards noted hereinabove — *i. e.* provided that they have not failed to:

- know and follow the explicit rules,
- provide current contact data to the Patent & Trademark Office, and to attorneys of record (and to clients),
- act on papers from the Patent & Trademark Office that are actually in-hand,
- fully set forth (in petitions) the cause of delay, or
- otherwise follow objective standards.

Douglas v. Manbeck, and *Ex parte Klenha*: The *Douglas* decision will now be discussed at considerable length, as it appears to be particularly important in the present case — because it provides language similar to that in the current Decision. The latter language, *i. e.* in the present case, is (emphasis added)

"the lack of due diligence by petitioners overcame any error in mailing the decision of July 15, 2005 to an obsolete address."

For comparison, the corresponding (and presumably precedential) language in *Douglas* is (emphasis added):

"applicant's lack of diligence extending two and a half years overcame and superseded any omissions by his counsel."

The present Petitioners respectfully point out these major distinctions and other comparisons between *Douglas* and the present matter:

1. IDENTITY OF ERRING ENTITY — In the present case the subject error was committed by the Patent and Trademark Office; whereas in *Douglas* the error was committed by Douglas's own counsel.
2. RELATIVE IMPORTANCE OF ERROR — In the present case, whether the error was "overcome" or "superseded" appears to be close to the dispositive core of the matter; whereas in *Douglas* it is all but wholly moot — since the headnotes, at least, also say: "representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO".
3. ERRORS ATTRIBUTABLE TO THE APPLICANT/PATENTEE — That last point is itself essentially surplusage because counsel's errors are said, in almost all of the cited cases, to be attributable to the applicant. In other words, as between the applicant/patentee and the Patent and Trademark Office, client and counsel are indistinguishable.

(Traditionally this attribution is supported on the bases that the counsel is the applicant's agent and was voluntarily chosen by the applicant. Intelligent judicial dissent in some of the cases, however, challenges this obviously illogical tradition, given that obviously only a very rare applicant is competent to objectively evaluate counsel's competence, workload, experience, devotion, honesty or alertness. For present purposes, however, such challenges appear to be of little interest.)

Hence the language "overcome and superseded" in *Douglas* is only dictum here. *Douglas* is strongly distinguished.

4. ERRORS NOT FAIRLY ATTRIBUTABLE TO PATENTEE — As between the patentee here, and the Patent and Trademark Office, of course errors of the latter entity are not attributable to the patentee; and errors or other behavior of the Office must be closely scrutinized to determine whether, or to what extent, they form any causal basis for errors of the patentee — and, if so, any ba-

sis for excusing the patentee's errors. As detailed at length later in this paper, errors and other questionable practices of the Office do in fact appear to have caused most or all of the present Petitioners' errors.

In short, based upon principled reasoning hereinafter, the Petitioners very respectfully take issue with the proposition, expressed in the current Decision, that "the lack of due diligence by petitioners overcame any error in mailing the decision of July 15, 2005 to an obsolete address."

5. MEASURING A PERIOD OF INACTIVITY (WHEN PRESENT) — In *Douglas* the applicant's "lack of diligence" was described as "extending two and a half years". As far as can be seen from the facts recited in *Douglas*, that stated period evidently began June 29, 1983 when the Office mailed a notice of abandonment to Douglas's attorney, Raymond Underwood, and ended November 11, 1985 when Douglas retained new counsel — who then filed a petition to revive the abandoned application.

Petitioners concur with the court in its statement of delay "extending two and a half years", since there is no rational basis for inference that Douglas was prepared to make the period shorter if any independent event occurred during that time. In fact, in the interim (December 24, 1983) Underwood died — and it seems Douglas did little or nothing in response.

He asserted but apparently made no effort to prove that in "early 1984" he endeavored to obtain Underwood's files. Besides not proving such an effort, Douglas also took no action to petition for revival of his case for roughly another twenty months after "early 1984".

Hence the purported two and a half years of delay seems fair — to at least assume for purposes of discussion.

It is noteworthy that the plaintiff Mr. Douglas represented himself *pro se* in the Federal District Court for the Eastern

District of Pennsylvania — and it is also apparent from the text of the court's decision that he was not at all able to come to grips with the legal issues involved. (For example he presented arguments going to the question whether attorney Underwood was a "reasonably prudent person" and in particular asserting — in foot-shooting mode, apparently — that Underwood was not.)

On the other hand, to a sympathetic reader the court decision — attributing Underwood's omissions to plaintiff Douglas — appears absurd. The decision does not reveal either (1) on what date Underwood (while still alive) became unable to work or otherwise participate in Douglas's case, or (2) what Douglas knew of Underwood's deterioration (it appears most likely that Douglas knew nothing of it until after Underwood's death). Yet attributing a dying man's so-called "omissions" to his unknowing client is surely the nadir of "blind justice".

Therefore it is not clear that the trial court's decision in *Douglas* should be accorded any significance at all, for present purposes. If it does have some significance, then it might perhaps be said to support an idea that two and a half years of inactivity (e. g., absence of investigation) is too long. This can now be compared with our present case:

6. COMPARISON OF PRESENT CASE WITH *DOUGLAS* — In the present circumstances, as the Petitioners see it, if there was indeed any operative or "effective" period of inactivity, it must have begun September 15, 2005 — because receipt of the 2005 Decision on or before that date would have resulted in an immediately filed new Petition fully satisfying all requirements articulated in the 2005 Decision. That is the latest date when, rationally, Petitioners would have responded if the 2005 Decision had been properly mailed.

The effective or operative period (if any) of inactivity ended March 21, 2007 when the Petitioners became aware that an adverse Decision had been issued — and immediately then began energetic inquiry to obtain a copy of that Decision and prepare a response. Hence the effective overall period (if such it is), running from September 15, 2005 to March 21, 2007, lasted one-and-a-half year and six days, and this is much shorter than the two and-a-half years in *Douglas*.

In their 2007 Petition, the Petitioners observed that there appeared to be no "standard" period for processing of a Petition of this sort. In response the current Decision apparently declines to join with Petitioners in discussing the length of a period of inactivity e. g., and instead discusses (passage bridging pages 5 and 6) the character of the Petitioners' behavior — saying, *inter alia*:

"the test is whether petitioners exercised due diligence to find out and correct the problem",

with citation to *Douglas*.

With respect, it appears more meaningful to consider the length of putative inactivity, because that test is at least relatively objective. Considering "whether petitioners exercised due diligence" is not only subjective but circular, since it appears (at least) to attempt to prove absence of due diligence from the premise that there was no due diligence.

7. DIGRESSION AS TO KLENHA — The latter point, as to a subjective standard, is not intended to derogate the principles declared, perhaps first declared, by William Callyhan Robinson in his 1890 treatise — to the effect that (emphasis added):

"inaction of the applicant, however protracted, cannot prejudice his application if the delay was unavoi-da-

ble . . . though . . . an unreasonable delay . . .
may always be raised and adjudicated in the courts."
Robinson Book III at 198.

Indeed that last point in Robinson makes plain that an objec-
tive evaluation of the time periods involved, compared with the
periods in analogous cases, is very often at least an excellent
starting point.

Robinson also cites Klenha (1884), observing that (empha-
sis added):

"too great leniency to delaying applicants, to the
prejudice of the public, must not be allowed"

That putative principle, however, appears likely to be precise-
ly the "hard, strict and narrow" construction firmly rejected
two decades later in Mattullath. Also, given the doctrine of
intervening rights, whether delay prejudices the public is a
big, complicated question.

8. MORE ON MEASURING AN INACTIVE period — Moreover, under the analysis
adopted in the current Decision, the running of the period of
purported inactivity begins from the date of filing the 2004
Petition, even though in analogous situations (e. g. uninten-
tional delay) it is ordinarily not the Petition filing date but
a Dismissal reply deadline which is the benchmark date. Fur-
thermore it appears well known that unavoidable-delay Petitions
are not decided immediately or even (at least very commonly)
within several months.

In the present case, a still-more-important reason for
measuring from the reply deadline (September 15, 2005) is that,
since any earlier attention to the matter — by Petitioners —
would have immediately produced a favorable resolution. The
reply deadline is surely the latest possible date when Petitio-

ners would have responded if the Decision had been properly mailed — and that only in event of a Petitioner's hospitalization or the like.

The Petitioners therefore urge acceptance of the maximum effective period of any inactivity, if indeed there was any such effective delay period, of: eighteen months and six days. Once again, that is much shorter than the two and a half years in *Douglas*, not to mention *Futures Technology* or *Mattullath*.

9. POSSIBLE TIMELINE BASED ON REMAILING OF THE 2005 DECISION — If the 2005 Decision, though improperly mailed, had then been remailed to Petitioners — based upon reaction to return to the Patent & Trademark Office of the undelivered Decision — then once again Petitioners would most likely have responded immediately.

That return in fact took place on August 25, 2005, as proved herein by the attached copy of the document, date-stamped in the OIPE/IAP. Evidently the returned document was ignored.

Among other possibilities, the document could have been mailed again — presumably after looking into the Petitioners' correct contact data as already on file in the Patent and Trademark Office.

Even if somehow the remailed Decision also went astray, e. g. around midOctober 2005, and even if Petitioners failed to respond until March 21, 2007, that response would have been only about seventeen months late — assuming a two-month period set for reply. This duration is much shorter than the two and-a-half years in *Douglas*.

10. OTHER CASES PARALLEL TO DOUGLAS — If a 2½-year period of inactivity in *Douglas* was "too long" to be permissible, then these questions arise: does any case plainly establish a shorter period

that is still "too long"? — and, if so, then exactly how was that shorter period measured, and what was that shorter period?

Oddly the current Decision does not take up any examples of cases in which a period of inactivity has been excused, for comparison with the time periods outlined above — other than cases in which protracted inactivity was due to misbehavior by the Patent and Trademark Office or a third party.

If there is any such case, whether by virtue of Decisions in the Office of Petitions or by external caselaw known to the Office, then as a matter of fairness and just resolution of this Petition, the Petitioners respectfully ask that such case be divulged to the Petitioners in advance of issuance of a new Decision, so that the Petitioners can rationally respond thereto. If there is such decisional law, then Petitioners respectfully speculate that it is known to the Office of Petitions.

11. NO EFFECTIVE PERIOD OF INACTIVITY — As also shown in the preceding sections of this discussion, however, there is ample basis for finding that there was in fact no period of inactivity fairly attributable to the Petitioners. That is true in view of the detailed reasons set forth earlier in this paper, and the following discussions of the deposit account — and the guidance of Petitions Office staffer Paul Janoski.

In view of those considerations it would be eminently reasonable and fair to attribute the entire period of inactivity to the error for which the current Decision has very rightly apologized, coupled with those other Patent and Trademark Office errors and parallel behaviors enumerated and discussed herein, in that connection. The Petitioners respectfully request and urge this just-described resolution of the matter; or, in the alternative if that is not deemed fair, then adoption of one of the two periods suggested above — eighteen or

seventeen months — together with a finding that the adopted period is within an acceptable inactive period.

Thus not any of the cited caselaw is on all fours with the present Petitioners' case. All are inapposite to Petitioners' fact pattern.

The cases discussed in this Request for Reconsideration are exclusively those cited in the current Decision. As very often happens in citations provided by the PTO, it appears that the cases may have been cited without reading them. Petitioners believe that such citations are most commonly based upon misleading suggestions appearing in the MPEP.

March 2007 telecons with Mr. Paul Janoski, then of the Petitions Office; and tolling the period for an unintentional-delay Petition

As set forth in the Petitioners' 2007 Petition, upon first discovering that the subject patent had lapsed, Petitioner Lippman immediately contacted the Petitions Office. The staffer on telephone duty that day was Paul Janoski. The two spoke then, and also again within the next few days.

In these conversations — though not mentioned in the 2007 Petition, Mr. Janoski evidenced a cavalier and (as now realized) misleading attitude toward the present Petitioners' plight. He asked, laughing, "and what have you been doing for the last three [sic] years?" — and immediately stated flatly and condescendingly that it was far too late for a Petition based on unintentional delay.

At that time Petitioners had no idea what had caused failure of their earlier (2004) Petition, no knowledge that the 2005 Decision had been mismailed, and no recognition that part of the delay might be squarely placed at the feet of the Patent and Trademark Office

(indeed even the Petitions Office) itself. Hence Petitioners were unduly discouraged and misled by Mr. Janoski's self-assured, conclusive and startlingly dismissive comments.

In particular they had no idea that his characterization of the quantum of delay might turn out to be inaccurate by a factor of two or more — or that it could be effectively challenged. Actually, however, at least some good authority has it that in an unintentional-delay case the period of inactivity runs from the deadline for response.

Petitioners submit that this was not a matter of unawareness of the statute or the rules. Rather it was a matter of obscure case-law, which has come to light only now in following the citations in the current Decision.

If that standard of measuring a period of inactivity for purposes of unintentional delay had been adopted herein, then the present Petitioners would have timely filed a Petition to accept an unintentionally delayed maintenance fee, e. g. in parallel with their Petition based on unavoidable delay. Accordingly the Petitioners submit that Mr. Janoski misled and distracted the Petitioners from a course of action that obviously would have been far more straightforward, economical (taking into account the value of professional time), and generally salutary.

Therefore Petitioners respectfully ask that the time for filing of an unintentional-delay Petition be tolled, up to the present and further up to the time of rendering a Decision on this Request for Reconsideration — based upon Mr. Janoski's inappropriate, erroneous and misleading comments. If this request is honored, then it is further asked that the Petitioners be timely notified of such tolling — and be either:

(1) enabled to now file a Petition to accept unintentionally delayed payment, or

(2) permitted to treat their 2007 Petition and/or this present Request for Reconsideration as such a Petition to accept unintentionally delayed payment.

In fact, all of the delay in payment of the maintenance fee was unintentional.

If any further fee would be due under either of these approaches, Petitioners respectfully ask what the amount of such further fee would be — and that time be allowed for payment of that fee. Petitioner Lippman would be happy to supply any such further amount immediately, in event of being notified thereof by telephone.

Deposit-account considerations

(see current Decision, bridging pages 4 and 5):

This final section of this document takes up these six concerns — namely, discussion, in the current Decision, of:

- the Office's absence of "obligation" to "timely notify applicants and patentees of deficiencies in their responses";
- "minimum deposit" and "established normal deposit value";
- "insufficient funds";
- "overdrawn account" and "overdrafts";
- whether Petitioners "did not regularly monitor the balance of the deposit account"; and
- "failure to keep [emphasis added] sufficient funds in the deposit account".

Petitioners also here take up three related questions:

- in conjunction with the sufficient-funds issue noted above, what role in these circumstances should be assigned to human judgment, and human error?
- what reason might have prevented the Office of Petitions from responding, upon receipt of the original 2005 Decision when the Postal Service returned that Decision to the Patent and Trademark Office? — and finally —
- might such reason have included intent to not respond?

THE OFFICE'S OBLIGATION TO NOTIFY OF DEFICIENCIES — In the current Decision it is said (page 5, second paragraph, emphasis added):

"While the [Patent and Trademark] Office attempts to timely notify applicants and patentees of deficiencies in their responses, it is under no obligation to do so."

The Petitioners, however, did not intend to suggest that the Office had such an "obligation". Petitioners expressly disavow the rubric of an "obligation" in the sense of something that can be enforced against the Office. To the extent that the 2007 Petition seemed to carry that implication, the Petitioners ask to be forgiven and hasten to correct the misimpression of a claim of "obligation":

Petitioners' intended point instead was simply that when the Patent and Trademark Office performs certain actions consistently — or even almost consistently — then doing so conveys to its practitioners that such actions are attributable to a policy or otherwise established procedure of the Office. This observation is not to say the Office thereafter is "obligated" to proceed in accordance with the previously consistent (or almost consistent) actions — but rather only that those actions are reasonably and fairly expected by practitioners.

Since it is reasonable and fair for practitioners to expect such continued actions, then it should be granted that practitioners ought to be excused for proceeding according to these expectations. Thus, when clerks in the Art Units, in the OIPE, and in the PCT telephone practitioners to discuss deposit-account transactions (as frequently occurs), even though these calls do not establish any "obligation" to do so in the future, such calls surely should lead to forgiveness for practitioners who rationally assume that the previously consistent (or almost consistent) actions will continue.

In other words, there is more to a practitioner's reasonable expectations of the Patent and Trademark Office than what is written in the Rules. In general law such expectations often are recognized under various rubrics such as e. g. a course of conduct. The Office by its own frequently advertised usages and comments (for example, describing practitioners as "customers") is not only a governmental agency but also a participant in the commercial world, and is neither above nor outside the sweep of general law.

Since the current Decision at least says they are not "obligations", such expectations cannot and ought not be enforced against the Office. Nevertheless as a matter of justice the Office should not be heard to be critical of — or seen to penalize — a practitioner who in good faith proceeds according to long-observed and intentionally established practices of the Office.

Here, the practices under discussion are not limited to rogue do-gooders in the Office staff. To the contrary they are embedded in such institutions as the telephone tree maintained by the Patent and Trademark Office — wherein a highly professional announcer's voice refers to the availability of the deposit account for correction of fee deficiencies. When a practitioner uses a deposit account in that way, it is a commonplace for the practitioner to later receive a telephone call from the Deposit-Account Branch, or a clerk in the OIPE or Examining Art Unit — either to confirm the practi-

tioner's intent, or to advise that the account lacks sufficient funds for the needed transaction.

Such situations do not uniformly or even most-commonly arise from a practitioner's failure to place sufficient funds in the account. Rather they most-often arise from unexpected additional charges — or from changes in the Patent and Trademark Office fee structure — coupled with the strongly-encouraged (by the Office) practice of placing on record in each case a generic, general authorization such as:

"In event that any deficiency in fees (other than an issue fee) paid in this case may arise, or any refund accrue, it is respectfully asked that such fee deficiency be charged, or such refund credited, without specific authorization, to my deposit account number 12-1639."

In such phone calls from the Office staff, if a practitioner suggests unfamiliarity with the customary details of these transactions, or with requirements for using the deposit account in this way, the clerk or other staff member usually explains the process, its benefits, and the best way to proceed. If certain phrases were omitted from the general authorization, in at least some cases the clerk suggests curing such problem by sending a FAX in real time.

The point of this protracted discussion is simply to establish how pervasive, and how fully embedded into the Office protocols, is the use of the deposit account in all these ways. It is neither casual nor informal. In contrast, the current Decision avers:

"with respect to petitioners' statement that the Office did not notify them that the Office was unable to charge the deposit account for the maintenance fee and surcharge, it is petitioner's duty [T]he Office . . . is under no obligation"

This statement thus represents not a minor but a major conceptual disconnect. While the Patent and Trademark Office is doubtless able

to defend such inconsistent, confusing and misleading practices — by pointing to provisions of the Statute or rules, or both — not many practitioners will be able to find them justifiable.

Nevertheless the sole objective of the present Petitioners in providing this discussion is in securing agreement that the Petitioners' expectation that the Office would respond consistently in event of a fund shortage was not only intelligent and informed, but also reasonable, and prudent.

Petitioners therefore respectfully ask that their "statement that the Office did not notify them that the Office was unable to charge the deposit account for the maintenance fee and surcharge" — even if arguably imperfect in some regards — was consistent with due diligence and with unavoidable delay.

"MINIMUM DEPOSIT" AND "ESTABLISHED NORMAL DEPOSIT VALUE" — The current Decision (bottom of page 4) also quotes the rules and goes on to discuss formal requirements for use of the deposit account (emphasis added):

"Pursuant to 37 CFR 1.25(a),

"A minimum deposit of \$1000 [in the deposit account] is required for paying any fee due or in ordering any services offered by the Office**** At the end of each month, a deposit account statement will be rendered. A remittance must be made promptly upon receipt of the statement to cover the value of items or services charged to the account and thus restore the account to its established normal deposit value. . . . A service charge (\$ 1.21(b)(2)) will be assessed for each month that the balance at the end of the month is below \$1,000."

That final sentence is absolutely true. Most or all of the earlier part of the quoted passage, however, is honored in the breach more

than in the observance, and this with full knowledge of staff in the Deposit-Account Branch.

Specifically, in Petitioner Lippman's personal knowledge the so-called "minimum deposit" is actually demanded (or "required") only when initially opening a deposit account, and not thereafter "for paying any fee due or in ordering any services". Just as discussed above in the preceding section on "obligation to notify", this custom, or tradition, or practice is simply inconsistent with the plain requirements of Rule 25(a) cited just above.

Yet this customary practice is applied very consistently. To be still more specific, charges are accepted for essentially all purposes even when the account balance is well below \$1,000 — and without anyone's remarking upon the situation.

Petitioner Lippman has made a specific inquiry to determine whether the Patent and Trademark Office actually follows the formally established rule or not. Petitioner Lippman learned that actually the idea of the \$25 monthly service charges is considered in a sort of intermediate way, i. e., between "follows" and "not".

That is, the \$25 charge is not intended be "punitive" or "actually painful" (as might be appropriate for a substantive breach of rules), but rather was said to be "a kind of rap on the knuckles", and "to get the attention" of the depositor (personal telephonic interview with a Supervisor in the Deposit-Account Branch, March 18, 2008).

The Petitioners certainly do not suggest that these very practical, efficient and helpful procedures of the Patent and Trademark Office should be enforced against the Office, in any way. All that is suggested is that the Petitioners — along with myriad other practitioners, as well as the clerks and even examiners in the Office — in their reliance upon these consistent practices be deemed reasonable and prudent, and ought not be punished for such reliance.

If a practitioner, in the conduct of her or his business, experiences restricted cashflow — *i. e.* is "strapped for cash" — then putting a thousand dollars into a noninterest-bearing account would not be reasonable or prudent at all. Instead holding onto the cash (for short-term urgent purposes) is equivalent to borrowing a thousand dollars at 2½% per month. That is a significant rate but not significantly worse than credit-card companies charge.

Petitioners respectfully submit that *Mattullath* expressly dictates reference to "ordinary human affairs". A patent practitioner, no less than a patentee, is indeed an ordinary human; hence such practical, real-world considerations as the practitioner's cash situation are properly discussed herein.

"INSUFFICIENT FUNDS" — The current Decision also excerpts these further sentences in the same rule, relating to sufficiency of funds (emphasis added):

"An amount sufficient to cover all fees, services, copies, etc., requested must always be on deposit. Charges to accounts with insufficient funds will not be accepted."

The deposit-account system does appear to be administered precisely in accordance with these statements.

As pointed earlier, however, when a practitioner attempts to make a charge that is not covered by funds on deposit, the practitioner (or a clerk in the practitioner's office) almost always receives a telephone call from either the Deposit-Account Branch or a clerk in the OIPE or relevant Art Unit, to point out the insufficiency and if possible make arrangements for immediate cure.

At that point if the practitioner has an electronic-funds-transfer account set up with the practitioner's deposit account, the practitioner can go on-line — usually while the Patent and Trade-

mark Office staff member waits on the telephone. The practitioner can then and deposit funds in real time. When that happens, the staff member can and usually does actually watch the deposit-account balance change, on a computer screen. Then the staff member makes the necessary charge to the deposit account immediately, with negligible delay or disruption.

Such a contact is said in the current Decision to be nonobligatory, and Petitioners do not here contest that. In Petitioner Lippman's experience, however, it is extremely, very unusual for a Patent and Trademark Office staff member to skip this step; hence the impression produced in the mind of an experienced practitioner is that deposit-fund insufficiencies will, or almost definitely will, consistently be dealt with in this way.

The opposite side of the coin is this question: how difficult is it to avoid all these situations by "monitoring" the deposit account as suggested in the current Decision? In Petitioners' considerable experience, doing such "monitoring" is very difficult and time consuming. The reason will be discussed shortly.

As the foregoing procedural description makes very clear, while the excerpted sentences about "insufficient funds" technically are absolutely true, for present purposes they are also misleading — because the clerks, examiners or other staffers who make such telephone calls are simply, in the benevolent exercise of their discretion, converting an "insufficient funds" situation into a "sufficient funds" situation.

Once the situation is thus converted, then the literal wording of the rule takes over and the transaction is completed without any issue of funding insufficiency. Again, Petitioners respectfully emphasize that that happens even when the account balance before and after the transaction is below \$1,000.

It seems a natural human impulse to "want to help". Also, most staff of the Patent and Trademark Office seem motivated to get the

job "done and over with" in an overall-satisfactory way for the applicant or patentee (rather than to obstruct or defeat the purposes of the applicant/patentee). Petitioners respectfully submit that such helpful attitudes reflect the very best motivations of fine people who make their living in the public service; and that such benevolent (even though not obligatory) behavior should be encouraged in every way.

The selfsame procedure could have taken place when Petitions Paralegal Liana Walsh found inadequate funds in Petitioner Lippman's deposit account. Present Petitioners respectfully submit that if in the exercise of her discretion she had chosen to conduct such an effort — which the present Decision points out she was not "obligated" to do, but which Petitioners believe or at least hope she also was not forbidden to do — then it would not have been necessary to prepare this Request for Reconsideration, or the 2007 Petitioner either.

Petitioners again point out that if Ms. Walsh had taken that approach, she would have been operating in a way that is not extraordinary, but rather is consistent with the most-usual practice vis-a-vis the deposit account. Therefore the Petitioners would have been justified in expecting that to happen, or to probably happen — and the Petitioners' behavior thus would have been consistent with reasonableness, and prudence.

"OVERDRAWN ACCOUNT" AND "OVERDRAFTS" — The current Decision also quotes another part of the rule (emphasis added):

"Therefore, '[a]n overdrawn account will be immediately suspended and no charges will be accepted against it until a proper balance is restored together with a payment of \$10 (37 CFR 1.21(b)(1)) to cover the work done by the U.S. Patent and Trademark Office incident to suspending and reinstating the account and dealing with charges which may

have been made in the meantime.' MPEP 509.01. Moreover, the Office expects that an applicant or patentee will take reasonable precautions in all cases to avoid overdrafts. Id."

In the present case, Petitions Paralegal Liana Walsh indeed found an overdraft, and wrote about it in her Decision mailed in midJuly of 2005. That overdraft (which was in the amount of exactly one dollar) occurred on June 30, 2005 — by the Deposit-Account Branch's charging of a \$25 service charge when the account balance was \$24; therefore evidently she came upon it during the first two weeks of July.

The above-quoted rule cited in the current Decision, however, asserts that "[c]harges to accounts with insufficient funds will not be accepted." It is therefore clear that this rule is not applied uniformly.

In particular it is not applied to the Patent and Trademark Office's own service charges, since the June 30 service charge was in fact accepted — and the account was not suspended, either "immediately" or otherwise. While that could be regarded as lenient, it is also in a sense burdensome to depositors — because nonacceptance of a charge would presumably raise an alarm, calling attention to the problem. Likewise suspension of an account, as provided in the rule, would attract even more attention.

Best of all would be a simple notice in the monthly statement of the deposit account, indicating that an attempt has been made to withdraw an authorized sum, but that the attempt was aborted because of insufficient funds. At present, and at the time of Paralegal Walsh's frustrated effort to collect the maintenance fee and related fees, any such unsuccessful effort is invisible to the practitioner whose account is involved.

The amounts charged as \$25 "service charges" are themselves trivial in comparison with the problems caused by being unable to

see in the monthly statements any record of such effort — either contemporaneously or at any time later, at least until notice of a patent lapse or application expiry. Even a service charge of \$100, \$200 or more, together with the inconvenience and cost of reinstating would have been a blessing as compared with happened in this case.

The physical mechanism for creating an overdraft most naturally includes accepting a charge against insufficient funds, but theoretically (according to the quoted rule) that is prohibited. In fact the occurrence of overdrafts does very occasionally happen, as in this case, and evidently it happens as outlined above — *i. e.*, when the Deposit-Account Branch collects a service charge. This mechanism is inconsistent with the rule above-quoted in the current Decision, showing once again that inconsistencies between the rules and the actual practices of the Office contributed significantly to the present situation.

These inconsistencies evidently do not occur through any intentional error within the Patent and Trademark Office. It is just a simple matter of "strange things sometimes happen" (personal telephonic interview with a Deposit-Account Branch supervisor, March 18, 2008).

In passing, Petitioners respectfully note again that in July 2005 the overdraft was in the amount of just one dollar, *i. e.* the negative balance was: $-\$1$. It is remarkable to suppose that the catastrophic occurrences here hinged on such a *de minimis* shortfall.

The Petitioners of course are well aware that an account either is overdrawn or not — it is not "somewhat" overdrawn or "sort of" overdrawn. Nevertheless the enormous incongruity of such great stakes being toggled by such a tiny dollar figure cannot pass without notice.

In the normal course of "ordinary human affairs," for "prudent and careful men" — such as expressly prescribed in *Mattullath* to be the standard for evaluation of these matters — such an incongruous result must be recognized as an example of the absurd. Petitioners do not here accuse the Petitions Office of doing "something wrong" — but rather only observe that, sociologically and philosophically, the result is absurd.

PETITIONERS "DID NOT REGULARLY MONITOR THE BALANCE OF THE DEPOSIT ACCOUNT" — This assertion is found in the current Decision. It is not clear, however, whether it is fully understood what effort is actually necessary to "monitor the balance" — whether as a practical matter it is actually reasonable and prudent to do so..

It sounds easy, and straightforward.

It is neither.

Petitioners therefore respectfully draw attention to these incontrovertible facts:

- funds often are withdrawn from the account, by Patent and Trademark Office staffers, without specific authorization;
- sometimes authorized withdrawals are never implemented;
- withdrawals sometimes are authorized at a particular time but implemented only much later;
- sometimes withdrawals are authorized but — due to insufficient funds — a much-later effort to make the withdrawal cannot be implemented (as in the present case); and
- when a Patent and Trademark Office staff member learns (by trying and failing to make an authorized withdrawal) that the withdrawal cannot be implemented, no evidence of the failure appears in the deposit-account statements — or in the running report that is available on the web, either.

What then does it mean to "monitor the balance"? Petitioner Lippman or his assistant has always examined monthly statements that come by post. Failures such as Ms. Walsh encountered, however, cannot be seen merely by examining the monthly statements, or the current dynamic reports either.

With respect, the current Decision seems not to recognize this real and very-physical limitation of the deposit-account system. Petitioners earnestly ask that this limitation be fully considered.

The answer must include keeping a complete, parallel shadow accounting, in the practitioner's own office. As review of the bulleted points also makes clear, however, even that is not enough!

Although it may seem quite remarkable, probably the only way to "monitor the balance" is to keep a complete, parallel shadow accounting AND compare it, frequently, with the monthly and running reports from the Patent and Trademark Office. This is far more difficult and time consuming than, for example, reconciling a checking account, where there is a conspicuous record of every failed transaction — e. g., a bank charge for a bounced check etc.

The Petitioners respectfully submit that this so-called "monitoring" of the deposit-account balance is such an onerous and expensive task that surely very few practitioners do it to the extent which would be needed to avoid overlooking a failed attempt to withdraw funds such as occurred in this case. Petitioners also submit that an extremely small percentage of practitioners even realize how troublesome such a "monitoring" effort would be.

As balanced against an assumption that Patent and Trademark Office staffers will very probably contact the practitioner in event of an insufficient-funds situation, it should now be clear that the latter is not just slightly but vastly more efficient, economical and sensible — even if the extremely unusual comes to pass, leading first to recognition that an application or patent has lapsed, and second to an unintentional-delay petition.

. . . EXCEPT in the case of an utterly bizarre situation such as the present one, in which recognition that a patent had lapsed was delayed for eighteen to twenty months by the Patent and Trademark Office's mismailing of the 2005 Decision.

"FAILURE TO KEEP SUFFICIENT FUNDS IN THE DEPOSIT ACCOUNT" — In the preceding section, Petitioners show that it is actually much more time consuming and difficult than might be supposed, to closely "monitor the balance of the deposit account" in such a way as to detect failed Patent and Trademark Office attempts make withdrawals. The Petitioners accordingly submit that attempting to monitor the balance is much less efficient and much less cost effective than waiting for a decision.

Based only on anecdotal evidence, Petitioners believe that attempting to frequently "monitor" the balance is far less consistent with behavior of most practitioners than waiting for a Decision. In the current Decision, however, it is said (page 5, 2d ¶, emphasis added):

"Petitioners' failure to keep sufficient funds in the deposit account constitutes an avoidable mistake."

Petitioners point out that to "keep" sufficient funds in the account requires all of the atypical effort (outlined above) to "monitor" the funds, and of course more.

Petitioners further point out that to do so over a period of more than a year — from filing of the 2005 Petition to the time when Paralegal Walsh wished to charge the subject fees to Petitioner Lippman's account — would therefore represent a sizable expenditure of time and money. Yet over even ten or twenty years the likelihood of turning up such an anomaly would be minuscule.

Thus from the valid perspective of practitioners, the Petitioners most respectfully submit that it is going to an extreme to

characterize as a "mistake" the Petitioners' *bona fide* "failure to keep sufficient funds" in the account over a year. In the words of Mattullath, Petitioners propose that such a characterization is excessively "hard, strict and narrow".

"HUMAN ERROR" AND THE LIKE — In event that the foregoing frameworks for analysis are deemed unacceptable, perhaps Petitioner Lippman's management of the deposit account will accordingly continue to be considered a "mistake". In that event the Petitioners respectfully submit, in the alternative, that their behavior in the circumstances of this case has been well within the bounds of "human error", or arguably faulty human judgment.

If so, Petitioners ask that it be excused as such. Ample precedent for this treatment appears in the court's evaluation of attorney Strauss and his assistant Eveleth Thurber — in *Tecnol*, analyzed above.

Petitioners conclude with the related questions mentioned earlier:

NONRESPONSE TO THE POSTAL SERVICE'S RETURN OF THE 2005 DECISION TO THE PATENT AND TRADEMARK OFFICE — Petitioners recognize that this is a sensitive topic. Petitioners wish to assure that the objective here is not to cause discomfort for Petitions staff but only to reasonably excuse the Petitioners from the corresponding burdens that have been placed upon them in the current Decision.

In that Decision, as already discussed hereinabove, in response to Petitioners' description of the chronology in this case it is observed (page 5, 2d ¶) that the Patent and Trademark Office has no

"obligation" to "timely notify applicants and patentees of deficiencies in their responses". In the current Decision is also said that it is (emphasis added) "petitioners' responsibility" to avoid various kinds of deficiencies.

As a matter of generalities, the Petitioners do not challenge those statements. Earlier in this document, however, Petitioners have suggested that — while the Office may have no "obligation" to so notify of deficiencies in patentee/applicant responses — nevertheless a consistent course of conduct by the Office should excuse patentees and applicants whose behavior proceeds in detrimental reliance upon such consistent conduct by the Office. It is not intended to repeat all of that reasoning here.

Rather, it appears to the Petitioners that that form of response in the current Decision leaves these issues unresolved:

- what obligations, if any, does the Patent and Trademark Office bear in the processing of Petitions?
- all apart from "obligations", what reason might have deterred the Office of Petitions from making phone inquiry of Petitioner Lippman in July 2005 when deposit-account funds were lacking?
- similarly, what reason might have prevented the Office of Petitions from responding, upon receipt of the original 2005 Decision when the Postal Service in August 2005 returned that Decision to the Patent and Trademark Office? — and finally,
- might such reasons have included intent to not respond?

It is difficult for the Petitioners, being very unfamiliar with the work environment, ethic and culture within the Office of Petitions, to assess these issues. For example, conceivably it might be that refraining from telephonic inquiry, in the first instance, was intentional — and particularly was in the interest of avoiding creation of a "precedent" (even though a closely analogous such prece-

dent is already well established by procedures in the Examining Art Units and the OIPE, as explained earlier).

Likewise conceivably it might be that refraining from investigation of the August 2005 returned Decision might be intentional — either, still again, to avoid making precedent, or to avoid later investigation of the July 2005 procedure as implemented by particular Petitions personnel. In constructing these purely academic examples, Petitioners cannot venture to guess whether either the initial July noninquiry or the later August nonresponse might have been at the initiative of the individual staff member involved — or might have been at the instance of supervisors or senior managers — hoping to protect the reputation of the individual staffer, or of the Petitions Office, or of the Patent and Trademark Office.

Then again, both of the questioned nonactions might have occurred simply because the Petitions Office was swamped with work, or because an individual staffer was swamped with work — or might have occurred through oversight, "human error", on the part of that particular staffer or others in the Office. The Petitioners are equally as willing to forgive human error or poor judgment by personnel in the Office as to excuse their own human error or poor judgment; however, the Petitioners do feel that substantially like courtesies should be extended in both directions; and that asymmetries in this regard would be neither proper nor in the interest of justice.

It will be understood that the Petitioners do not presume to know the answers to these various questions, and are not accusing anyone of anything, but simply are asking. That is, the Petitioners merely inquire into these very strange and curiously coincidental twin lapses, or so they appear to Petitioners.

CONCLUSION:

Petitioners hope that the asking of such questions, in good faith — and the answers as perceived by the Petitions Office — will be found helpful and persuasive in Petitioners' favor. More specifically, Petitioners believe that these points, coupled with all of the above caselaw discussions and other comments in this paper, make clear the following conclusions.

The Petitioners' behavior did not "overcome" (or "supersede", as in *Douglas*) the Office's:

- departures from its usual consistent behavior, when inadequate funds are present in the deposit account to cover a charged fee, and
- the conceded plain errors, for which the Office has apologized, in mismailing (or in failing to remail) the 2005 Decision;
- later errors in failing to investigate when the Postal Service returned that Decision to the Patent and Trademark Office; and
- still-later errors in failing to remail the Decision — either correctly or at all.

The July 2005 Decision, and the remedy it offered, established a course of action leading to a full cure. Had the Office then acted correctly or consistently the matter would have been resolved forthwith, notwithstanding all missteps by Petitioners.

In addition, as explained above, equitable tolling of the period for filing at least one kind of Petition to accept delayed payment is suggested in this paper — and appears to be supported by cases cited in the current Decision. The Petitioners respectfully ask that such tolling be considered and permitted.

For all these reasons the Petitioners respectfully and earnestly ask that the current Decision be reconsidered, the delayed fees accepted, and the Petitioners' patent reinstated.

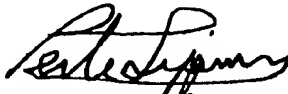
TELEPHONE CALL

In the event of any obstacle to granting this Petition, the Petitioners earnestly ask for a phone call to Mr. Lippman at 775/-677-8822, to discuss such obstacle. In case he is not available to take such a call, the Petitioners hereby authorize Mr. Lippman's clerk, Mrs. Shaliene D. Ray, to discuss any and all matters related to this Petition.

Respectfully,



Philip A. Selwyn, Ph. D.
Vice-President and Patent Liaison
Areté Associates
(assignee of the entire interest)



Peter I. Lippman
Registration No. 22,835
Attorney for the Assignee

Peter I. Lippman
17900 Mockingbird Drive
Reno NV 89506

March 24, 2008

TELEPHONE:
775/677-8822

APPENDIX

of

Requested Clarifications

As noted above, several points made in the current Decision are not understood; hence Petitioners cannot adequately respond to those points, which are all collected and discussed in turn in this Appendix. As a matter of due process the Petitioners respectfully request clarification of the matters listed here, prior to rendering of any further unfavorable Decision in this matter — so that Petitioners can timely traverse or cure.

WHAT PARTS OF "REQUIREMENT (3)" THE PETITIONERS HAVE NOT ANSWERED — In the current Decision it is said (page 2, 2d and 3rd major paragraphs) that the June 2007 Petition (hereinafter "2007 Petition") "lacks requirement (3)". In the Decision, that "requirement" is set forth thus (emphasis and numbering added):

"a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that [1] the petition was filed promptly after the patentee . . . became aware of . . . expiration. The showing must enumerate [2] the steps taken to ensure timely payment of the maintenance fee, the [3] date and the manner in which patentee became aware of the expiration . . . , and [4] the steps taken to file the petition promptly."

Although the current Decision proposes that Petitioners' June 2007 Petition "lacks requirement (3)", the Petitioners believe — FIRST

— that the Petitioners have complied completely with the four underscored requirements in the quoted excerpt.

Petitioners also respectfully submit that evaluation of those four items is relatively objective (which makes those items very helpful in considering questions of "unavoidable delay"). In contrast the preceding clause, about taking "reasonable care", is subjective. Nevertheless Petitioners did attempt to respond on the matter of "reasonable care" too.

Petitioners in good faith therefore believe — SECOND — that the dismissal in the current Decision is based exclusively, or in essence exclusively, upon rejection of the Petitioners' assertion that "reasonable care was taken".

The Petitioners respectfully request confirmation that these two stated beliefs are correct and, if not, clarification of the way or ways in which they are incorrect — or, *i. e.*, what aspect of the requirements is deemed less than adequate.

(The terms "unavoidable" and "reasonable care" are believed to be conclusions of law, rather than primary or physical facts, and as such are thus a subjective standard that develops from all of the facts or circumstances of a case, not an objective standard. The cases also show unambiguously that a finding of "reasonable care . . . to ensure that the maintenance fee would be paid timely" does not require that the Patent and Trademark Office have physically received the money by the nominal deadline. See *Futures Technology, Ltd. v. Quigg*, cited in the current Decision and discussed at length later in this Request for Reconsideration.)

MEASUREMENT AND EXCUSING OF THE DELAY CAUSED BY THE 2005 MISMAILING — In the Decision it is said that (center of page 4, emphasis added):

"even if the Office excuses the delay attributed to the mailing of the decision to an incorrect address, . . .

petitioners did not have sufficient funds in their deposit account".

From this statement, Petitioners are uncertain whether "the Office [in fact] excuses the delay attributed to the mailing" — or does not. They also are not certain how long that attributed delay is. As will be very clear from the following discussion, it would be extremely helpful if these uncertainties could be removed.

Removal of these uncertainties would be especially important because Petitioners are seeking to show that the Petitioners' other purported errors should be excused, or are not errors, etc. — possibly leaving only the Patent and Trademark Office's "error" associated with the mismailing.

(Elsewhere in this document, Petitioners take up the fact that the framework of analysis in the above-just-quoted statement appears chronologically backward, or causally inverted. That is, in actuality the absence of sufficient funds preceded the mailing error.

(In the mismailed 2005 Decision, all such earlier missteps of the Petitioners were wholly integrated — as is clear from the facts that that Decision included an invitation to entirely cure the problem. In fact Petitioners' following of the course prescribed in the "invitation" would indeed have entirely cured, but for the mailing error by the Patent and Trademark Office, which prevented Petitioners from knowing about the invitation.

(Thus logically it is inapposite to reopen the earlier circumstances that were already rolled together into the provisions of that invitation, in the document that was mismailed.)

Petitioners therefore respectfully request either confirmation that these statements are accurate — or, in the alternative, timely clarification of the truth of the matter, enabling Petitioners to timely cure following issuance of a new Decision in this matter.

If the Patent and Trademark Office does not agree, or in any event excuses only some part of the delay, then it is crucial for

the Petitioners to know how much of the delay is excused, so as to be able to determine (1) whether the Petitioners' present Petition was effectively late — and, if so, then (2) late by how long. Thus if one year and seven months of the delay (out of a total one year, eight months and 21 days) is excused, then Petitioners' present Petition was still timely — being filed, in effect, one month and about nine days before the effective close of the response period.

On the other hand if only e. g. one year and six months (or less) of the delay were excused, so that Petitioners might have been two months and 21 days late, then Petitioners would respectfully ask that this case be placed on at least a comparable footing with (for example) *Mattullath* — where the successful plaintiff evidently was late by a period between six and seven years.

Still further if none of the delay were excused, then Petitioners would respectfully again ask what is meant by the above-quoted clause "even if the Office excuses the delay attributed to the mailing of the decision to an incorrect address". As shown in the preceding paragraphs, that meaning is central to Petitioners' understanding of the current Decision.

SUGGESTION OF TWO SEPARATE DELAYS — With apologies, the Petitioners also request clarification of the passage at bottom of page 3, in the current Decision — in particular the listing of two separate delays relative to Rule 378(b). Despite having studied with care 37 CFR § 1.378(b), Petitioners are not able to follow what separate showing is required as to the two stated "periods (2) and (3)". The Petitioners would be grateful for elucidation thereof — again, prior to the issuance of a Decision on this Request for Reconsideration, so that Petitioners have opportunity cure any inadequacy.

More specifically, the cited Rule reads *in toto*:

"Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

"(1) The required maintenance fee set forth in § 1.20 (e) through (g);

"(2) The surcharge set forth in § 1.20(i)(1); and

"(3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly."

Most respectfully, Petitioners are not able to discern in 37 CFR § 1.378(b), fully set forth here, any definition or suggestion of such two separate requirements. Petitioners are eager to satisfy any such requirement as construed by the Petitions Office.

Further the Petitioners believe that their 2007 Petition — taken together with all the additional information, representations and submissions in this Request for Reconsideration — amply demonstrate filing "promptly after the patentee . . . became aware [of] the expiration" as well as all "the steps taken to ensure timely payment . . . , the date and the manner in which patentee became aware of the expiration . . . , and the steps taken to file the petition promptly." If any particular lapse in this regard could be pointed out with specificity to the Petitioners, Petitioners will of course undertake to correct such lapse.

SIGNIFICANCE OF THE TERM "MISLED" — In the current Decision it is said (top of page 6, emphasis added):

"There is no evidence that petitioners were mised to believe that the USPTO granted their original petition, ac-

cepted the maintenance fee and surcharge, or reinstated the patent."

Petitioners respectfully question why this statement introduces the word "misled". In the 2007 Petition, the Petitioners had not accused the Patent and Trademark Office of misleading Petitioners, and now submit that having-not-"misled" is not the standard for benign behavior on the part of the Office. Clarification is requested.

On the other hand, since this issue has now been raised by the Office, the Petitioners have now pondered that issue and herein do present at least two discussions of ways in which the Petitioners sincerely believe that they actually were misled — although not to believe the two ideas in the paragraph quoted just above.

SIGNIFICANCE OF THE SYNTAX "MAY NOT HAVE RECEIVED" — It is also said in the current Decision (page 6, second line, emphasis added):

"Petitioners may not have received the decision of July 15, 2005, dismissing their petition; however, the test is whether petitioners exercised due diligence to find out and correct the problem. See generally, Douglas v. Manbeck (Applicant has a duty to make sure his application is being prosecuted). The record reveals that petitioners . . . did not inquire into the status of their petition for approximately three years from its filing."

First, the phrase "may not have" in the above-reproduced excerpt is not at all appropriate.

Petitioners believe that the phrase should be "did not", since nonreceipt of that Decision is very thoroughly proven as a matter of physical fact (see e. g. the accompanying copy of the Decision that the Postal Service returned to the Patent and Trademark Office, and that even today can be seen on the PAIR and PALM systems. Confirmation is respectfully requested.

Second, the timeliness of making sure that an "application is being prosecuted" (as in *Douglas*) is a distinctly different matter from the analogous effort for a pending Petition. For an application, there are standard, well-known periods established for timely reply by an Examiner, and the status of the Examiner's disposition can be seen in private PAIR.

In comparison, this does not appear so for Petition. At least, the current Decision at page 5, final paragraph does not respond in kind to the Petitioners' observation (emphasis added) "that they were not aware of any 'standard' time period for deciding a petition". Based on that absence of response, the Petitioners now believe that in fact there is no standard period for reply by the Petitions Office. Here too confirmation is respectfully requested.

Moreover the very protracted time periods involved are all but notorious among practitioners. These considerations, together with personal telephone conversations with some Petitions staff, are believed to support the Petitioners' representations that the Petitions Office "appeared 'swamped with work'" and that it was "more appropriate" (perhaps even "patriotic") to exercise patience. Clarification is respectfully requested, as to a key fact — whether in truth the Petitions Office was or was not very badly pressed for time in, at least, 2005 and 2006.

Third, as shown below, the measure of "three years from its filing" is inappropriately suggested. It is both more logical and more fair to measure delay from the end of an actually set response period — as detailed earlier in this document. Also, in the present case such delay ran to one and a half year, or less, depending on various assumptions also discussed hereinabove. Confirmation is respectfully requested.

SIGNIFICANCE OF THE TERMS "ASSERTED" AND "ASSERTION" — Another issue taken up herein is the Petitioners' nonreceipt of the 2005 Decision. In the current Decision, in the first paragraph at top of page 4, the words "asserted" and "assertion" are used to describe that non-receipt.

These terms are usually employed to connote that the subject "assertion" is not believed. Petitioners very respectfully ask for clarification: is it in fact not believed that "they did not [timely] receive a copy of the original decision"?

If that is believed, then is it also not believed that the reason for that nonreceipt was "because the USPTO mailed the decision to an obsolete address"?

Petitioners think they have proven to a virtual certainty that in fact the original Decision was mailed to an obsolete address — inasmuch as that document was physically returned to the Patent and Trademark Office (see attached copy with August 2005 date-stamp). Therefore likewise proven is that it was a physical impossibility for Petitioners to have timely received it. Accordingly Petitioners would be very grateful for a plain statement so confirming — so as to remove any cloud that the term "asserted" or "assertion" might place over the Petitioners' Petition.

SIGNIFICANCE OF ABSENT DOCKET-CALENDAR ENTRY — Further of uncertain import are the final three lines of the above quotation, thus (starting in the preceding line):

"petitioners provided a copy of the docket calendar of practitioner, Peter Lippman, which revealed no deadline for reply to the dismissal had been entered."

It is Petitioners' understanding, on good authority, that such a copy of the docket calendar, revealing no deadline for reply, is a

standard, approved method for showing nonreceipt, to the extent that proof of a negative occurrence is normally possible at all.

Hence such a statement would seem to be normally a favorable sign, or fact, with respect to establishing nonreceipt. That may not be necessary in this case (since it is now known that the Postal Service returned the mismailed item to the Patent and Trademark Office; see attached copy of the piece as returned in August 2005). The words "asserted" and "assertion", however — coupled with the overall negative conclusion (dismissal) in the current Decision — seem to connote that the docket-calendar copy "revealing no deadline for reply" is in some way adverse to Petitioners' position.

Accordingly Petitioners respectfully request clear resolution of the meaning of the passage quoted just above.

In the same paragraph, it is also said (emphasis added): "Petitioners stated that they did not receive a facsimile copy of the decision until April 27, 2007." Simply for the record, Petitioners here respectfully reiterate that they did not receive any copy whatsoever, until that date.

Some of these points are taken up further above — *i. e.* in the body of this Request for Reconsideration. The Petitioners respectfully reiterate that due process requires, or probably requires, that these questions be clarified (or disposed of) before the rendering of a new Decision on this present Request for Reconsideration. That will allow Petitioners an opportunity to augment this paper in view of such clarifications.